



USAID
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USAID'S BUSINESS ENABLING PROJECT

QUARTERLY REPORT: THIRD QUARTER 2011

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QUARTERLY REPORT: THIRD QUARTER 2011

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1. PROJECT OVERVIEW

USAID's Business Enabling Project, implemented by Cardno Emerging Markets USA, is a five-year initiative launched in January 2011. The purpose of the Project is to help the Government of Serbia (GoS) improve the competitiveness of the Serbian economy and its private sector businesses. The Project provides technical assistance, training, and other support to improve the business enabling environment, maintain macroeconomic stability, and further develop financial markets. The Project is demand driven: all activities are based on the priorities of the private sector and GoS.

The Business Enabling Project consists of four major components:

- **Component 1, Business Regulation and Economic Governance**, will streamline laws, regulations, and institutions; improve regulators' capacity to implement laws; and improve analysis and public-private dialogue.
- **Component 2, Macroeconomic Policy and Public Financial Management**, will help the Government implement new budget and fiscal responsibility laws, improve budgeting, increase public disclosure and transparency, strengthen public debt management, and improve economic analysis and forecasting.
- **Component 3, Financial Market Development**, will improve regulatory frameworks for non-bank institutions, develop capacity to strengthen and expand capital markets, and improve conditions for debt market development.
- **Component 4, Business-Education Partnerships**, will support improvements in business management education in Serbia. Pursuant to USAID's instructions, this Component is currently on hold pending further instructions from USAID.

The project's approach to achieving reforms is to help the GoS work closely with the private sector and outside experts to make reforms that improve business competitiveness. The reforms will reduce the time and money spent by Serbian businesses to comply with laws and regulations and will help the GoS to be more efficient. The reforms will also enable businesses to attract necessary investment at an appropriate cost. As result, Serbian businesses will have a better chance to be competitive in the global economy, leading to export-led economic growth and increased employment.

The Project's First Year Work Plan and Performance Monitoring Plan were approved by USAID on May 10, 2011. The Project's Grants Manual was approved by USAID on April 6, 2011. In May, 2011, the Project entered into Joint Work Plans with its eight GoS counterparts and its overall Work Plan was approved by the GoS.

GoS Partners

BEP entered into Joint Work Plans with the following GoS institutions:

- General Secretariat of the Government
- Ministry of Agriculture, Trade, Forestry and Water Management
- Ministry of Environment, Mining and Spatial Planning
- Ministry of Finance
- Ministry of Justice
- Office for Regulatory Reform and Regulatory Impact Assessment
- Securities Commission
- Fiscal Council (independent body)

2. HIGHLIGHTS DURING THE REPORTING PERIOD

This report covers the third quarter of BEP's operation – July 1 to September 30, 2011. Noteworthy activities during the period were:

- **BEP Roundtables Lead to Roadmap for Inspections Reform.** BEP held the fifth and final regional Roundtable "Reform of Inspections - Framework for Better Business," in Krusevac on July 5. On September 27, BEP organized a National Roundtable on Inspections Reform and Informal Economy held in Belgrade on September 27th. During August and September BEP implemented a media campaign that raised awareness on the need and options to reform inspections and deal with informal economy. As a result, the stakeholders developed a list of issues to be resolved and Deputy Prime Minister Verica Kalanovic has asked Prime Minister Mirko Cvetković to appoint a GoS inspections coordination body.

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- **BEP Assists Progress on Streamlining Construction Permits.** BEP organized two roundtables on the Decree on the Conversion of the Usage Right on the Construction Land into Ownership Right. After the roundtables BEP synthesized the comments from private sector representatives and provided the comments to the Ministry of Environment, Mining and Spatial Planning. The Ministry adopted the Decree on September 1, incorporating much of businesses' input. In addition, BEP is helping the Republic Geodetic Authority (RGA) to create an Internet-based register that would make all spatial plans publically accessible and monitor progress of different public authorities with adoption of necessary planning documents.
 - **Bylaws Drafted with BEP Assistance and Enacted for Implementation of Law on Enforcement of Judgments.** The first bylaws for implementation of the law on enforcement and security were adopted with USAID/BEP technical assistance. The bylaws were developed by the Law on Enforcement of Judgments implementation working group, which BEP is co-organizing with the Ministry of Justice. The bylaws are the Amendment of the Regulation on Compensation of Costs in Judicial Proceedings, and the Amendments of the Courts' Rules of Procedure (which includes changes to internal court procedures).
 - **BEP Standard Cost Model Study Near Completion.** BEP has completed the field work and analysis for the first Standard Cost Model (SCM) study done in Serbia. The SCM study will demonstrate which laws and regulations are most burdensome on businesses. The study will be presented to our GoS, business, donor, and media partners in early October.
 - **BEP Helps Fiscal Council Analyze Fiscal Issues.** BEP continued to provide technical assistance to develop human and institutional capacity of the Fiscal Council (FC) to facilitate good fiscal planning, accountability, and credibility of public finances in Serbia. BEP experts provided the FC with quantitative and financial analysis and assisted the FC in assessing the fiscal impact of 1) the Decentralization Law, 2) proposal to increase non-taxable wage share, and 3) proposal for budget rebalancing. They also analyzed the public debt sustainability related to restitution and delivered assistance to the FC related to the changes of the Budget System Law (introducing the requirement that every law or measure proposed in the Parliament must be accompanied by budget offset measures).
 - **BEP Coordinates Donor Activities Related to Performance Based Budgeting.** During several individual meetings and a group meeting of donor implementers, BEP facilitated coordination of activities of the implementers on public financial management. BEP brought together the IMF, two EU Projects, a SIDA Project, and a UK Government supported NGO, as well as the GoS General Secretariat, on possibly reaching a donor unified stand on performance based budgeting. The donor project implementers identified areas of common interest and agreed to regularly hold coordination meetings. A possible outcome of these efforts is a unified set of donor policy recommendations to the GoS that may even become conditional for further aid by some donors like the World Bank and the IMF. Another possible outcome is organizing a high-level workshop with the GoS to further build the momentum for performance based budgeting.
 - **BEP Training for Ministry of Finance Macro Fiscal Department Provides Expertise in deficit projections.** BEP engaged an advisor from Slovenia to provide a three day training to the Macro Fiscal Department (MFD) in the Serbian Ministry of Finance. The training covered the following topics: projections of the country's structural deficit in line with EU requirements, medium-term fiscal sustainability models, and long-term projections. These projections are important for good economic planning and overall deficit management and are central to ensuring that a country is able to achieve the fiscal convergence requirements set out by the EU. Our advisor also delivered a two-day seminar for the Fiscal Council and members of the Research Sector of National Bank of Serbia on technical topics related to longer-term budget projections and fiscal sustainability, with the goal of further strengthening the capacity of the two institutions to deliver sound recommendations on fiscal and monetary policy issues.
 - **BEP Consulting for Debt Management Administration Provides Guidance for IT and Capacity Development.** BEP conducted a review of Public Debt Authority's (PDA) debt management system (TRASSET) and submitted a report with the preliminary findings and recommendations. Recommendations were prepared on functionality, calculations, and efficiency

of use, and organizational and process strengthening opportunities. This report provides the PDA and the Treasury with valuable information on what steps to take in order to achieve streamlined use of the debt management system. If the PDA implements the recommendations outlined in the report it will have more accurate and readily available reporting and a more efficient debt management system. This would enable the PDA to implement new debt management system processes (like risk management) and to free up significant resources currently engaged in operating a loan tracking database in Excel. This in turn will allow the PDA to turn toward strategic goals of further development of the primary and secondary market for its securities, capacity building trainings of its staff (risk management, debt sustainability, debt management, etc) and other activities it is currently unable to undertake.

- **BEP Helps the Securities Commission to Develop Bylaws to Spur Investment and Comply with EU Directives and Practices.** BEP brought in a director and staff from the Croatian Financial Services Supervisory Agency, to assist the Securities Commission draft bylaws that will help implement the Law on Capital Markets. The Securities Commission has expressed their satisfaction with the high quality of this assistance.
- **BEP Begins Assistance to Improve Access to Finance for SMEs.** BEP organized its First Access to Finance Roundtable in Novi Pazar. The main goal of the roundtables, which will take place in six locations throughout Serbia during October and November, is to understand the problems that SMEs are facing in obtaining finance, and to provide businesses with more information on less-used financing products that are available at the market.
- **BEP Business Survey Launched.** The BEP first annual survey of businesses was developed and is now being conducted by BEP grantee CeSID. The BEP team worked with CeSID to develop the questionnaire and instructions. CeSID is surveying 1,000 firms throughout Serbia.

3. REVIEW OF PROJECT PROGRESS

BEP is accomplishing all aspects of its Work Plan, with a couple of additions and potential deletions to the Work Plan.

Additions to the Work Plan and rationale include:

- New activities under Component 1, Objective 1, Task 4 (Streamline Construction Permitting) to take advantage of opportunities to improve dissemination of urban and spatial plans.
- A new Task under Component 2, Objective 2, Assistance to improve debt management systems, analysis, and capacity. Activities under this task would include TRASSET Review and MIS Strengthening and Assistance to Strengthen Organization and Skills Capacity of the PDA.

Deletions to the Work Plan and rationale include:

- We have requested that USAID consider revising the project's work plan and scope of work to delete or scale back work in competition policy. The main reasons are: 1) an EU project is beginning later this year that intends to provide most if not all of the assistance that USAID originally planned to provide; 2) the CPC has not responded to our offers of assistance, except to request hardware and software rather than technical assistance and training. While competition policy is clearly an important area for EU accession, it appears that at this point USAID's resources are not critical to efforts to reform the policy and improve the CPC.

We present the following summary of activities, including administrative activities, activities of general benefit to the project, activities under each component, as well as activities conducted under outreach and grants. Detailed tables that review our progress versus the Work Plan and PMP can be found in Attachments 3 and 4 below.

Administrative and General Activities

BEP's intern program has been approved by USAID. The program will provide the project with two to four interns, who will work on project activities to achieve objectives in each Component. The internships will be for six months and interns will receive training and mentoring.

BEP implemented mechanisms to distribute current project information to stakeholders. The BEP Website (www.bep.rs) is constantly updated with news about the project, grant opportunities, and other information. It has seen increasing traffic, with 105,224 hits during the quarter. BEP also has a monthly newsletter that is sent by email to over 200 addresses. The newsletter has spurred interest in the project and we have received many contacts from partners and from other donors who are interested in specific activities mentioned in the newsletter.

The Project continued outreach to the business community, including meetings with the Serbia Chamber of Commerce, Belgrade Chamber of Commerce, AmCham, and FIC to discuss various project activities. This outreach ensures that all activities will have significant impact on business competitiveness and businesses and their representatives know of and understand project activities. During these meetings the project and our business association partners confirmed mutual willingness to cooperate in efforts to implement reforms aimed to improve economic policy and the business environment.

BEP began work to improve Public Administration through trainings and other capacity building. The BEP team met with SUK, the Government of Serbia Human Resource Management Service, to discuss training for our GoS partners. SUK's annual training program has several trainings that are needed by many of our partners (including strategic planning, communications, and program budgeting) and SUK is interested in adding trainings that we suggest. After the meeting BEP sent a letter with suggestions for areas of cooperation. BEP also met with the PALGO Center, a local NGO dealing with Public Administration trainings, and received a proposal from the Faculty of Economics Finance and Administration (FEFA) under the Annual Program Statement for a grant for public administration training.

Component 1

Under **Objective 1, Task 1, "Improve and Streamline Business Regulation,"** BEP partnered with the Chamber of Commerce of Serbia and Regional Chambers of Commerce to organize a series of five regional roundtables titled *"Businesses Speak: Inspections Reform – Towards Improved Business Environment,"* and a national roundtable entitled *"Dealing with Informal Economy: Inspections Reform for Reduction of Grey Economy and Alleviation of Burden on Business Sector."*



NALED, AmCham, Foreign Investors Council, and the Employers Union also participated in organization and over 200 businesses participated, with 11 Government inspectorates present at the national roundtable.

Conclusions from the regional roundtables included: interpretations of regulatory requirements relating to inspections should be standardized; inspections need to be much more transparent in every aspect; different inspection controls must be better coordinated; emphasis should be on prevention; inspections should be risk-based; inspections should do more to combat firms operating in the gray economy; and warnings should be used and fines should be adjusted to the economic strength of companies.

During the national roundtable, Deputy Prime Minister Kalanovic announced that a Government Coordination Body for Inspections Reform will be established. The Coordination Body will develop an action plan to address constraints to private sector growth that are caused by inspections. After the national roundtable Deputy Prime Minister Kalanovic submitted a request to the Prime Minister to approve a Coordination Body.

The roundtables received substantial media attention, and in connection with the national roundtable more than 30 media reports highlighting major problems in inspections system (including a 25 minute interview with Deputy Prime Minister Verica Kalanovic at TV Avala).

In addition, BEP has received a request for technical assistance from the Ministry of Agriculture, Trade, Forestry and Water Management (MATFWM), which is in the process of completing the Draft Law on Market Surveillance. This Law should introduce differentiation between inspection and market surveillance. MATFWM representatives expressed interest in having BEP's technical support in developing the coordination mechanisms of different bodies charged with control of product quality. MATFWM will also propose to BEP pilot projects that can reduce inspections related administrative burdens on businesses. They also requested training in risk based management, and assistance in software development, web based systems for management of inspections and for information sharing, and hardware support (laptops and portable printers for agriculture inspectors). MATFWM also expressed interest in participating in designing the government-wide efforts to reduce negative impacts of inspection controls on business, and they are very interested in seeing detailed notes from the regional inspections roundtables.

Inspections: Laggard Among Regulatory Reforms

Inspections is the sole major area of regulatory reform that has not been addressed by the GoS since reforms began in 2001. In 2009 the Government of Serbia adopted a recommendation for inspection reform that includes creation of a coordination body that will guide the process of comprehensive reform. But until the regional and national roundtables organized by BEP, no action was taken to establish such a body. BEP hopes to build on the momentum created by the roundtables to bring inspections reform to the fore and to improve inspections coordination and procedures.

Under **Objective 1, Task 2, “Remove or Reduce Quasi Fiscal Burdens to Businesses,”** BEP awarded a grant to NALED (after a competition) to conduct an Assessment of Impact of Quasi-Fiscal Charges on Businesses in Serbia.

Under **Objective 1, Task 3, “Assist Implementation of the Law on Enforcement,”** BEP hosted the second Law on Enforcement of Judgments Bylaws Working Group meeting on July 5, and the third Working Group meeting on August 18. The newly adopted Enforcement Law has created conditions for long awaited improvements in contract enforcement and reduction of costs of collecting money owed under judgments. The Bylaws are crucial to ensure that the Law is properly implemented. The working group has already completed the first set of draft by-laws: Draft Act on the Single Register of Legal Subjects Entered in the Debtor Book, Draft Regulation on Costs of the Proceeding, and Draft Regulation on Vocational Examination for Professional Enforcement Officer (PEO).

On September 19, 2011, the “Official Gazette of the Republic of Serbia” published the first bylaw for implementation of the Law on Enforcement and Security – the Amendment of the Regulation on Compensation of Costs in Judicial Proceedings, enacted by the Minister of Justice. The Regulation provides for the advance payment for the costs of enforcement, which is necessary for the Enforcement Officers to execute on income and assets of debtors. On September 23, 2011, the Official Gazette of the Republic of Serbia published the second bylaw for implementation of the Law on Enforcement and Security – the Amendments of the Courts’ Rules of Procedure, enacted by the Minister of Justice on September 21, 2011. This bylaw introduces technical elements necessary for conducting of enforcement in accordance with the new Law, including changes to internal court procedures, such as records, forms and stamps.

Under **Objective 1, Task 4, “Streamline Construction Permitting,”** the project’s Roundtables on the draft Decree on Conversion of the Usage Right on the Construction Land to an Ownership Right (held on June 13 and 27) and related technical assistance led to an improved Decree that was adopted on September 1st, officially published on September 13, and valid since September 21. BEP organized two roundtables with NALED that included representatives of the Ministry of Environment, Mining and Spatial Planning (MEMSP), businesses and relevant public agencies. Subsequently, USAID BEP did an overview of the key comments, suggestions and amendments on the Draft Decree provided by the stakeholders from business sector and government and communicated it to the MEMSP. The Ministry prepared a new version of the Draft Decree using comments and the revised

version of the Decree eliminated some anticipated obstacles to conversion. With the revisions, the Decree should eliminate a major obstacle in the construction permitting procedure for some of the most valuable properties in Serbia that were acquired through privatization.

As a follow-up to previous meetings and discussions, the President of the Chamber of Engineers (CoE) notified BEP that the CoE is very interested in pursuing the idea about making a publically accessible inventory of spatial and zoning plans. The MEMSP informed BEP that this project would be welcomed and useful, and that valuable information could be obtained from the Department for Urban Inspection within the MEMSP, which is in charge of monitoring municipalities' adoption of planning documents. Subsequently, BEP met directors of Agency for Spatial Planning (ASP) and Republic Geodetic Authority (RGA) to enlist their support for creation of a register that would make all spatial plans publically accessible and monitor progress of different public authorities with adoption of necessary planning documents. Both institutions are interested in developing a monitoring mechanism for spatial and urbanistic plans and have something of a starting point. However, the Agency for Spatial Planning only has information on spatial plans and even that not very updated, accessible only with a passcode and not in a user friendly format. The Republic Geodetic Authority presented to BEP various on-line services they have. For the monitoring system to be functional, RGA would need the MEMSP to obligate local governments to provide information on plans as they get adopted, IT consultants for development of the database and web application and some equipment for data storage. As a result, BEP is developing a Request for Applications for a grant to provide the software for the inventory. This activity will provide developers and investors with valuable information and will put pressure on municipalities to finish spatial and zoning plans.

BEP is also helping the GoS to develop a legal framework for PPPs involving construction projects. It is at this point uncertain whether the legal framework will be the new Law on PPPs or a separate decree. On July 22 State Secretary in the Ministry of Environment, Mining and Spatial Planning Nemanja Komazec sent a request to a group of organizations and experts soliciting their input for the development of the Decree on PPPs Based on Investments of Public Land. Mr. Komazec used a concept paper prepared by BEP as a key document sent to the expert group. The PPP decree stems from the recent changes to the Law and Planning and Construction and could have a large economic impact as private and public investments can be jointly mobilized to undertake construction projects and infrastructure development – large and small – throughout Serbia.

Objective 2, Task 1, “Improve Public Private Dialogue” activities included finalization of the Survey of Businesses. The BEP team developed questions for the Survey and worked with the grantee for the Survey, CeSID, to finalize the questions so that they are ideal for the surveyors to use and the businesses to respond to. BEP also worked with CeSID to develop instructions. The survey is now being conducted in the field and results will be published and publicized in early October. Other activities under this task included the roundtables on inspections and construction permits mentioned elsewhere in this report.

Under **Objective 3, Task 1, “Improve Quality and Quantity of Legislative and Regulatory Reforms,”** BEP continued work on the Standard Cost Model study, which will be completed by October 17. BEP also agreed with the Director of the Office for Regulatory Reform and Regulatory Impact Assessment (RRO) Mira Prokopić to help the RRO develop a new Strategy for Regulatory Reform, as the current strategy expires at the end of 2011. The new strategy will contain key activities and milestones for regulatory reform and regulatory quality improvement. BEP later presented the concept for development of a new strategy and action plan to the RRO. BEP also provided a study tour to Georgia for the Director of the Governmental Office for Regulatory Reform and Regulatory Impact Analysis, Mira Prokopić. This study tour included an overview of how Georgia improved transparency, reduced regulatory burdens, and fought corruption through IT solutions.

Standard Cost Model

The Standard Cost Model (SCM) is designed to measure administrative costs incurred by businesses as a result of regulation. It is a quantitative methodology that can be applied in all countries and at different levels. The method can be used to measure the impact of a single law or regulation or all legislation in a country. SCM can be used to measure current legislation or proposed legislation.

When measuring an individual legal provision, the user of the SCM adds the costs of administrative procedures, data requirements and information obligations to obtain the total costs for the individual regulation. Typically the SCM assessor conducts an analysis of the legal requirements and conducts a limited number of business interviews.

Several European countries have applied SCM and all have successfully used it to simplify regulations. This is because the SCM results show which regulations/part of a regulation are especially burdensome for businesses.

BEP also helped develop the new Foreign Trade Law and Amendments. BEP's consultant in the Ministry of Economy worked with the working group on the new Foreign Trade Law and Amendments that were adopted by the Government and enacted by Parliament in September. The new Foreign Trade Law is harmonized with the new Company Law, and both laws will go into effect on February 1, 2012. The Law meets one of the final criteria for Serbia's WTO accession.

Activities under **Objective 4, Task 1, "Develop basis for improvements in competition policy and oversight"** have not progressed due to the Commission for the Protection of Competition's (CPC) lack of interest in the type of assistance that BEP is set up to provide. After five months of BEP's requests for interest from the CPC, the CPC finally sent a letter requesting assistance: hardware and software and study tours. BEP has recommended that USAID cancel activities under Objective 4 and redeploy the resources elsewhere.

Under **Objective 4, Task 2, "Develop Institutional Framework for Proper Implementation of Competition Policy,"** BEP and the Administrative Court (AC) developed a plan for training on competition protection. However, due to a lack of interest by the Commission for Protection of Competition (CPC) in substantial BEP assistance, BEP has recommended to USAID that Task 2 be dropped from the project and assistance to the CPC be abandoned. This may also cause the training to be cancelled.

Under **Objective 5, Task 1, "Support implementation of the new Company Law (adoption expected by June),"** BEP is working to improve corporate governance by helping to implement the corporate governance provisions in the law. USAID/BEP initiated consultations with SCoC's Branislava Žunjić, Head of Banking and Insurance Board and Mirjana Seović, Senior Legal Associate to discuss possibilities for collaboration between SCoC and BEP in the field of Corporate Governance improvement in Serbia. Priority areas and proposals for cooperation related with corporate governance improvement that were discussed included: Codex of Corporate Governance; Award for best Corporate Governance; training on implementation of the new Company Law; survey on implementation of OECD Corporate Governance Principles in Serbian legislation. BEP received a grant proposal under the Annual Program Statement from the Serbian Chamber of Commerce to develop a new Codex of Corporate Governance.

Component 2

BEP's activities under **Objective 1, Task 1, "Capacity building assistance to the Fiscal Council and Improvements to fiscal responsibility,"** included providing the Fiscal Council with technical assistance to meet its obligations to ensure fiscal discipline. The support is part of Business Enabling Project's technical assistance package aiming to develop human and institutional capacity of the Fiscal Council to facilitate good fiscal planning, accountability, and credibility of public finances in Serbia. Econometric and fiscal policy experts engaged by BEP provided quantitative and financial analysis and assisted the Fiscal Council in assessing the fiscal impact of 1) decentralization law, 2) the proposal to increase non-taxable wage share, and 3) proposal for budget rebalancing. They also analyzed the public debt sustainability related to restitution and delivered assistance to the FC related to the changes of the Budget System Law (introducing requirement that every legislation/measure proposed in the Parliament must be accompanied by budget offset measures). In addition, BEP provided training and technical assistance in projecting structural deficits.

BEP also provided training to the Fiscal Council, National Bank of Serbia Research Department and Other Stakeholders, on the topics of cyclical budgets, post-crisis fiscal rules, the EU's budget framework, and the EU's methodology on estimating the impact of aging on the public expenditure. The training was performed by Slaven Mićković, the head of the Budget Department of the Slovenian Ministry of Finance and a member of the EU Economic Commission. The training was very well received.

Pursuant to **Objective 1, Task 2 “Assistance to the GoS General Secretariat to improving budget coordination and performance management”** and **Task 4, “Assist the MoF Budget Department to develop capacity for improved transparency and program budgeting,”** BEP coordinated activities with the General Secretariat, the IMF, two EU Projects, the SIDA Project, and an NGO on possibly reaching a unified donor position on performance based budgeting and advocating to the GoS to place performance based budgeting on the top of its agenda. BEP's coordination was done through individual meetings with the donors and their implementers, and a meeting at the BEP office between the implementers of the six projects. As a result, areas of common interest among donors were identified and an agreement was reached to regularly hold coordination meetings. The implementers are now seeking to develop unified policy recommendations to the GoS. These would be communicated by the donors to the highest levels of the GoS and could potentially even become conditional for further aid by some donors like the World Bank and the IMF. Another possible outcome is organizing a highest-level workshop with the GoS to further build the momentum for performance based budgeting. The general purpose is to make the budgetary process more policy-oriented, e.g., the budget would present information on (intended and achieved) policy objectives, policy measures, and their costs, all of which would improve the control over public financial management.

Despite the Joint Work Plan with the Ministry of Finance, it has been difficult to begin some of the Task 4 activities, due to the MoF Budget Department's lack of time to engage with BEP. In August, the BEP Component 2 team lead met with the Ministry of Finance's Budget Department Head, Ružica Stoilković to discuss areas of possible assistance. The Budget Department plans to implement performance based budgeting in 2012, but they haven't done much to prepare for this change. The BEP team intends to provide assistance in those activities and that assistance will be defined through an action plan after further discussions. The Budget Department also plans a functionality extension of the Budget Planning Management Information System (BPMIS) and BEP may possibly be able to assist in these activities; it was agreed to have another meeting related to this issue next week. BEP shared its plans to conduct a performance based study on narrowly selected state aid programs and the Budget Department agreed to cooperate to the extent they are needed and have available resources.

Pursuant to **Objective 1, Task 3, “Improvements to Fiscal Analysis and Strategy by the MoF,”** BEP engaged Slaven Mićković, the head of the Budget Department of the Slovenian Ministry of Finance and a member of the EU Economic Commission, to provide a three day training to the entire staff of the Ministry of Finance Macro Fiscal Department. The training covered the following topics: projections of the country's structural deficit in line with EU requirements, medium-term fiscal sustainability models, and long-term projections. These projections are important for good economic planning and overall deficit management and are central to ensuring that a country is able to achieve the fiscal convergence requirements set out by the EU. The Macro-Fiscal Department expressed great satisfaction with the training interest to develop a continuous training schedule with BEP's assistance, aiming at increasing significantly the department's capacity to do macroeconomic forecasts internally. BEP is providing further assistance to the Department through a Grant that will be implemented by FREN.

Under **Objective 1, Task 5, “Improvements to Fiscal Policy, Strategy and Analysis,”** BEP helped FREN develop an action plan to implement its new strategy and helped FREN develop new approaches to its Quarterly Monitor. BEP also repeatedly advised FREN of its position that future BEP support related to the Quarterly Monitor and other FREN services will depend on the complementarity and relevance of the Quarterly Monitor's content for the goals of the Project. As of the time of writing this report, BEP has not yet received a proposal from FREN for support for

Quarterly Monitor Issue 25 or other assistance relating to the Quarterly Monitor. Under this Task BEP also organized a Journalist Brunch on fiscal policy issues (see below).

Pursuant to **Objective 2, Task 1, “Improving conditions for public listing of government debt,”** BEP conducted a review of Public Debt Authority’s (PDA) debt management system (TRASSET) and submitted a report with the preliminary findings and recommendations. The assessment focused on creating the list of all issues and problems in TRASSET as requested by State Secretary of the Ministry of Finance, Mr. Vuk Djoković, and the scope of the assessment increased during discussions with the Directors of the Treasury and Debt Management Administration. BEP’s recommendations cover functionality, calculations, and efficiency of use, as well as organizational and process strengthening opportunities. This provides the PDA and the Treasury with valuable information on the steps necessary to achieve streamlined use of the TRASSET debt management system and efficient organizational processes surrounding this IT function. If the recommendations outlined in the report get implemented, the PDA will have a well-organized structure and processes that provide more accurate and readily available reporting and a more efficient use of the debt management system. This would enable the PDA to implement new debt management system processes (like risk management) and to potentially free up significant resources currently engaged in running the loan tracking database in Excel. This in turn will allow the PDA to turn toward strategic goals of further development of the primary and secondary market for its securities, capacity building trainings of its staff (risk management, debt sustainability, debt management, etc) and other activities it is currently unable to undertake. BEP also assisted the Directors and Deputy Directors from Public Debt Administration and Treasury in their meeting and communication with debt management software vendors HP and TRASSET. As a result, the vendors agreed to perform certain activities to improve the system and solve problems identified by BEP. The project’s advice was implemented in the text of a new contract with the vendor. The new contract will enable the Public Debt Authority to better focus on resources, issues and their faster resolution, decrease consulting services costs in the medium term, and enable more time to be spent on fundamental activities related to debt management.

BEP also worked to coordinate activities with the World Bank and the EU Project on support to the Ministry of Finance and Treasury Administration. Since there is potential for overlap on assistance in GoS debt management, the project met with the World Bank and EU projects to agree on coordination of capacity building trainings and other assistance to the Public Debt Authority. BEP will continue to coordinate to these projects to ensure complementarity and avoid overlap.

Component 3

Under **Objective 1, Task 1, “Assistance for the Implementation of the new Capital Market Law,”** BEP is helping the Securities Commission develop bylaws for implementation of the Law. BEP brought in Zeljko Kopcic, Sandra Opaicic, and Aleksej Miskovic of the Croatian Financial Services Supervisory Agency, to assist the Securities Commission draft bylaws that will help implement the Law on Capital Markets. The bylaws are based on the Capital Market Law and EU Directives. Mr. Kopcic also shared best practices in regulating financial markets. During a September 20 meeting with USAID BEP, the President of Securities Commission and all Commissioners expressed great satisfaction with USAID BEP’s assistance in the process of drafting bylaws and overall cooperation. They commented on the high quality of consultants engaged by USAID BEP and agreed to start joint work with USAID BEP on the public promotion of the new Capital Market Law and bylaws. They also agreed to start planning joint efforts with USAID BEP to increase the Commission’s capacity for supervision of securities intermediaries.

BEP also agreed to work with the Securities Commission and the Belgrade Stock Exchange (BELEX) on increasing public awareness, transparency, investors outreach and knowledge of corporate governance. BEP is participating in BELEX’s tenth international conference – Upgrade in Belgrade 2011 on November 17. The goals of the conference are to increase professional and public interest and awareness of the new Capital Market Law. BEP will provide a key speaker and will take active participation in discussions. BEP also facilitated the Securities Commission’s participation in the BELEX Conference, and the new Law on Capital Markets will be presented and discussed.

Under **Objective 1, Task 2, “Assistance for the Development of a Legal Framework and Strengthened Enabling Environment for a Commodity Exchange,”** the Project helped the Ministry of Trade, Agriculture, Forestry and Water Management (MoTAFWM) to organize a working group to develop a new Commodity Exchange Law. BEP has developed an action plan for the working group in order to meet the short deadline for development and public discussion of the draft law. The Ministry plans to finalize the draft before December 2011. This law will enable farmers and financiers to manage risk. Ms. Tatijana Djukanovic (The Indemnity Fund) is leader of the working group; BEP is a member of the working group and will provide expatriate experts to help the working group develop a concept and the law.

Under Objective 1, Task 3, **“Assistance for the Development of an Enabling Regulatory Framework for MFIs,”** BEP has shifted its efforts to increasing small business access to finance. Access to finance is identified as one of the top three problems in doing business in Serbia according to World Economic Forum, but little is known about the issues that are limiting finance in Serbia. Thus BEP is preparing a study on the current supply of and demand for credit to micro, small and medium sized businesses (MSMEs) and on the anticipated supply and demand if certain structural (legal, regulatory, institutional) changes are made. This study will be based on comparisons with other countries in the region, interviews with financial institutions, economic projections, the BEP Survey of Businesses, and a series of roundtables with businesses throughout Serbia.

BEP organized its first Access to Finance Roundtable in Novi Pazar. The main goal of the series of roundtables throughout Serbia, which will take place in October and November, is to understand the problems that SMEs are facing in obtaining finance, and to provide businesses with more information on less-used financing products that are available at the market. The roundtables will also provide valuable inputs from the businesses on the commonly used collateral, other sources of financing, technical capacity in financial planning, financial risk, and transaction costs.



BEP also began joint activities on access to finance with the Ministry of Economy and Regional Development (MERD) on Access to Finance. USAID BEP and the MERD agreed on the necessity to increase the level of understanding and information and the need to conduct related in-depth research. MERD is interested in cooperating on all of BEP’s access to finance activities, including: analysis of the results of the Business Survey of 1000 Serbian companies; research of regulatory obstacles, especially those affecting SMEs; quantitative research of financial data for 1000 SME’s; and research of currently available financing for SMEs in Serbia. The Ministry stated that this research will help them in drafting a new strategy for Development of Competitive and Innovative Small and Medium-sized Enterprises, due at the end of 2012.

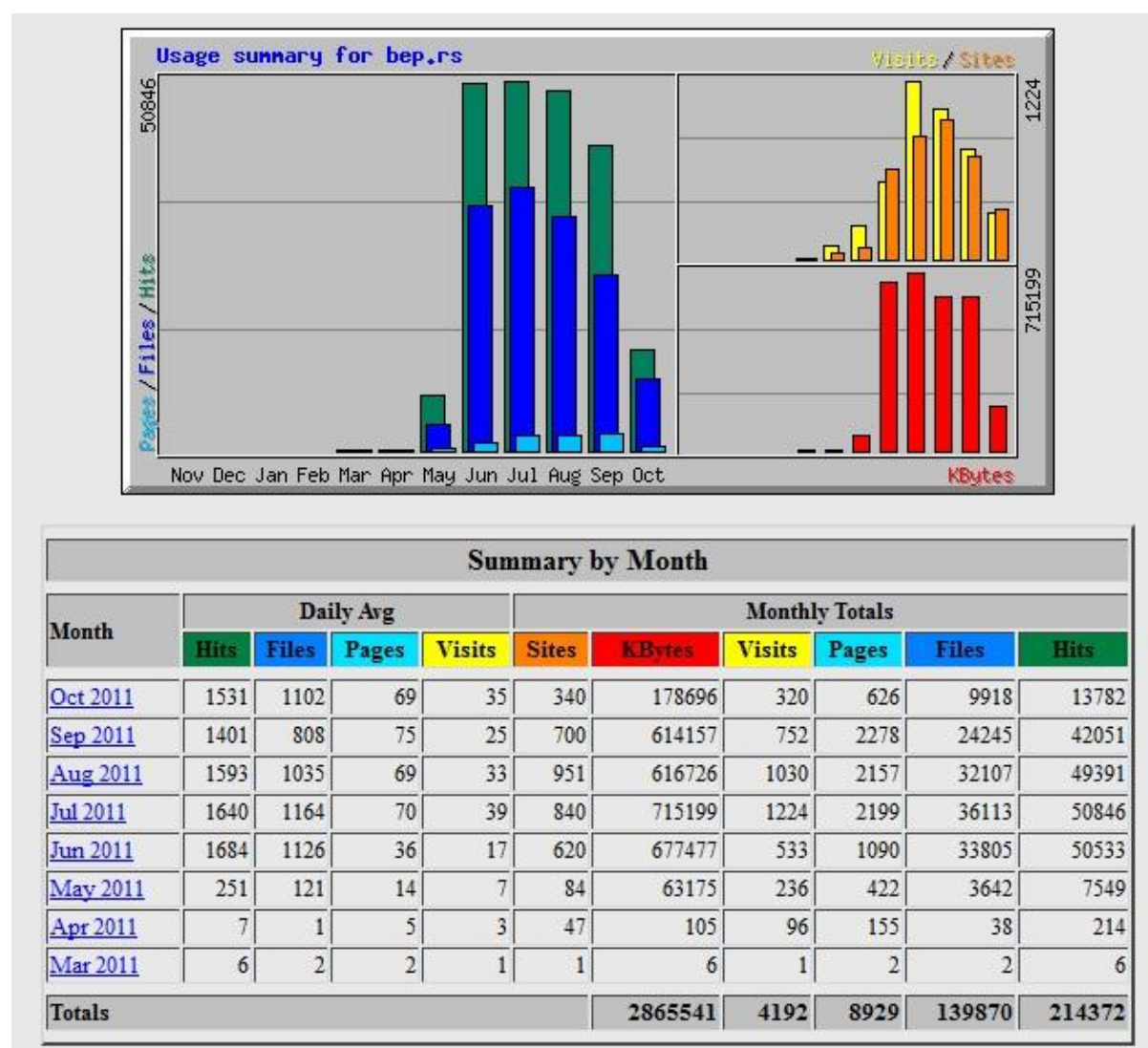
BEP is taking the lead on donor coordination on access to finance. In addition to cooperating with the USAID Agribusiness and Economic Security projects on the SME Finance Roundtables, BEP led a discussion on Improving Access to Finance at the Donors Private Sector Development and Private Financial Markets Coordination Meeting. At the coordination meeting BEP presented its program on improving SME financing and its analysis of the current constraints. Other donors expressed high interest in the results and conclusions from the roundtables and survey and agreed to coordinate efforts.

Outreach

During the quarter BEP generated 112 media reports, all with a positive or neutral tone. BEP’s outreach activities reached almost 5.5 million people. A list of media publications is set forth in Attachment 2.

Based on its survey of journalists on their training needs, BEP has issued a Request for Applications (RFA) for Journalist Education on Economic and Business Environment Reforms.

The BEP website, www.bep.rs, continued to have a large number of visitors, as shown by the charts below.



BEP held its First Media Breakfast on Economic Topics on July 14. Ten economic journalists from the largest Serbian dailies, economic magazines, and news agencies participated in the informal meeting organized by the BEP at the Sokoj Club. The aim of this gathering was three-fold: 1) to introduce the BEP to journalists covering economic topics and explain how our work may be of interest; 2) to provide an example of a hot economic topic analyzed in a broader economic context to help informed reporting 3) to solicit feedback on both knowledge-building needs and how to build a stronger platform for public-private dialogue via the media. The program included a presentation by Joe Lowther and Tony Sinclair of BEP on BEP's aims and activities, and presentations by two guest speakers, Nikola Altipamarkov, Fiscal Council Member, and Maja Popov, Project



Manager - Reforming Policy Coordination in the Government of Republic of Serbia. The journalists actively participated in discussions on fiscal and macroeconomic policy issues and discussed problems in economic reporting and their training needs, which will help shape upcoming activities of the Project. The event received extensive media coverage - more than 15 media reports.

Grants

BEP's first Annual Program Statement (APS) has generated substantial interest. We received 10 Expressions of Interest (EoI) for this APS. The BEP Grants Selection Committee reviewed the Eois and made the following decisions:

1. Economics Institute, MAT publication – invitation to submit the full grant proposal by October 20
2. Economics Institute, Forum / Roundtable on Commodity Exchange – invitation to submit the full grant proposal by October 12
3. Civilnet, Training for Students of Journalism – rejected/ applicant informed about the decision
4. BDO, Plan on reorganization - rejected/ applicant informed about the decision
5. BDO, Pre-packaged plan on reorganization – rejected/ applicant informed about the decision
6. Belgrade Stock Exchange, Conference – invitation to submit the full grant proposal by October 20
7. Chamber of Commerce of Serbia, Corporate Bonds – rejected/ applicant informed about the decision
8. Chamber of Commerce of Serbia, Codex of Corporate Governance – invitation to submit the full grant proposal by October 20
9. CLDS, Study on Fiscal Councils – further discussions needed
10. FEFA, Public Administration Trainings – invitation to submit the full grant proposal by October 20

The Fund for the Advancement of Economics (FREN) has submitted an initial funding request for its Quarterly Monitor (issue 24) in late May 2011. This proposal was considered under the sole source procedure and was approved by the Selection Committee after review and evaluation. Upon USAID's approval of FREN's sustainability plan and action plan, USAID authorized disbursement of the grant funds. The funds were disbursed on September 29.

On August 22, BEP awarded a grant to CeSID for Survey of Businesses. The survey questionnaire was finished and BEP initiated the payment of the first grant installment.

On September 14, BEP awarded a grant to NALED for the Survey on Quasi-Fiscal Charges. Following negotiations, NALED submitted a revised staffing plan and budget for the grant on Survey on Quasi-Fiscal Charges.

On September 21, BEP awarded a grant to FREN for Econometric Assistance to the Ministry of Finance.

The Grant Schedule and Status is attached as Attachment 5.

Financial Review

The following chart shows the billing to date through the end of September, 2011. This includes the actual costs we have received from the field for the month of September.

	BILLING TO DATE	TOTAL BUDGET	REMAINING BUDGET	PERCENTAGE COMPLETE
Salaries and Wages	\$ 452,604.93	\$ 3,775,847.61	\$ 3,323,242.68	12%
Fringe Benefits	\$ 39,031.62	\$ 257,266.33	\$ 218,234.71	15%
Overhead	\$ 267,908.56	\$ 2,179,488.59	\$ 1,911,580.03	12%
Travel, Transportation, and Per Diem	\$ 39,956.57	\$ 677,806.94	\$ 637,850.36	6%
Allowances	\$ 108,365.84	\$ 767,728.31	\$ 659,362.47	14%
Other Direct Costs	\$ 266,710.78	\$ 2,378,118.90	\$ 2,111,408.13	11%
Equipment and Supplies	\$ 74,665.08	\$ 203,257.20	\$ 128,592.12	37%
Participant Training	\$ -	\$ 65,000.00	\$ 65,000.00	0%
Subcontracts	\$ 126,424.24	\$ 1,678,842.00	\$ 1,552,417.76	8%
Grants Under Contract	\$ 37,000.00	\$ 2,200,000.00	\$ 2,163,000.00	2%
G&A	\$ 164,667.39	\$ 1,697,747.70	\$ 1,533,080.31	10%
TOTAL ESTIMATED COST	\$ 1,577,335.01	\$ 15,881,103.59	\$ 14,303,768.57	10%
Fixed Fee	\$ 80,694.32	\$ 815,860.42	\$ 735,166.10	\$ 80,694.32
TOTAL ESTIMATED COST PLUS FIXED FEE	\$ 1,658,029.33	\$ 16,696,964.00	\$ 15,038,934.67	\$ 1,658,029.33

Progress versus Workplan

BEP's progress versus the Work Plan is set forth in Attachment 3.

Progress versus PMP

BEP's progress versus the PMP is set forth in Attachment 4.

Challenges Encountered and Actions taken to Resolve them

No significant unexpected challenges were encountered during the quarter.

Observations Regarding Implementation

Both GoS and private sector partners have reacted quite positively to BEP's approach, particularly our commitment to provide robust analysis and public private dialogue to the reform process. This approach appears to be improving the quality of policies and legislation and is supplying more

certainty drafting and implementing policies and laws. Of course we are still in the beginning stages of the project and it remains to be seen what impact more sophisticated aspects of our approach will have, e.g. Standard Cost Model and Business Survey, practical training programs, process improvement, and monitoring and evaluation.

We have been very successful in targeted outreach to stakeholders in the GoS, private sector, and general public through the media, via roundtables, and in personal meetings. The media is interested in reporting on the issues we are working on and we have been able to guide their coverage. However, the media has demonstrated that they have limited capacity to investigate and report on economic issues. As a result BEP designed an RFA for a grant to provide media training. We are monitoring the impact of our outreach, particularly to determine whether it build sufficient pressure to overcome GoS resistance and inertia.

With its broad scope and five year term, BEP can play a leadership role in donor coordination. During the third quarter of the first year, BEP coordinated donors in public sector financial management, access to finance, and enforcement of judgments.

Some of our GoS partners have difficulty marshaling the human resources needed to fulfill their commitments to work with BEP. While we have some talented and dedicated partners in the GoS, there appears to be a limited number of staff that can productively complete tasks. In addition, GoS managers appear to have limited capacity to manage reform efforts and implement reforms. To overcome this problem, we will focus on finishing a limited number of reforms so that the qualified staff in the GoS partner institution can focus on them. We will also train and mentor GoS managers on strategic planning, management and change management, as well as implementation of the new processes and procedures so that they can see the reforms through implementation pursuant to action plans.

The upcoming election is already having an effect on BEP. There are both opportunities and threats and we are taking advantage of the former and managing the latter to the extent that we can. For example, the GoS is attempting to complete some activities before the election period starts (i.e. by December). These activities include preparation of the Law on Commodities Exchanges, initiation of serious GoS work on inspections reform, and interest in increasing small business access to finance. The upcoming election has not yet derailed any implementation efforts but we expect that senior officials will be distracted by election issues after the New Year.

4. ACTIVITIES PLANNED FOR NEXT QUARTER

Noteworthy activities for the fourth quarter of the project, covering October 1 to December 31, 2011, will include:

Administrative and General Activities

- Implement Project Activities Database (PAD) to record, analyze and report project data.
- Launch policy portal to generate better dialogue on economic policy and business environment issues.
- Roundtable with Privrednik Business Association to discuss the major constraints to doing business with the major Serbian businesspersons who are members of this association.
- Presentation of the results of the Business Survey.

Component 1

- Presentation and dissemination of the Standard Cost Model Analysis.
- Presentation and dissemination of results on the comprehensive inspections analysis;
- Completion of the Regulatory Reform Strategy.
- Establishment of the GoSs Coordination Body for Inspections Reform.
- Finalization of bylaws needed for implementation of the new Law on Enforcement and Execution

and training for Professional Enforcement Officers candidates.

Component 2

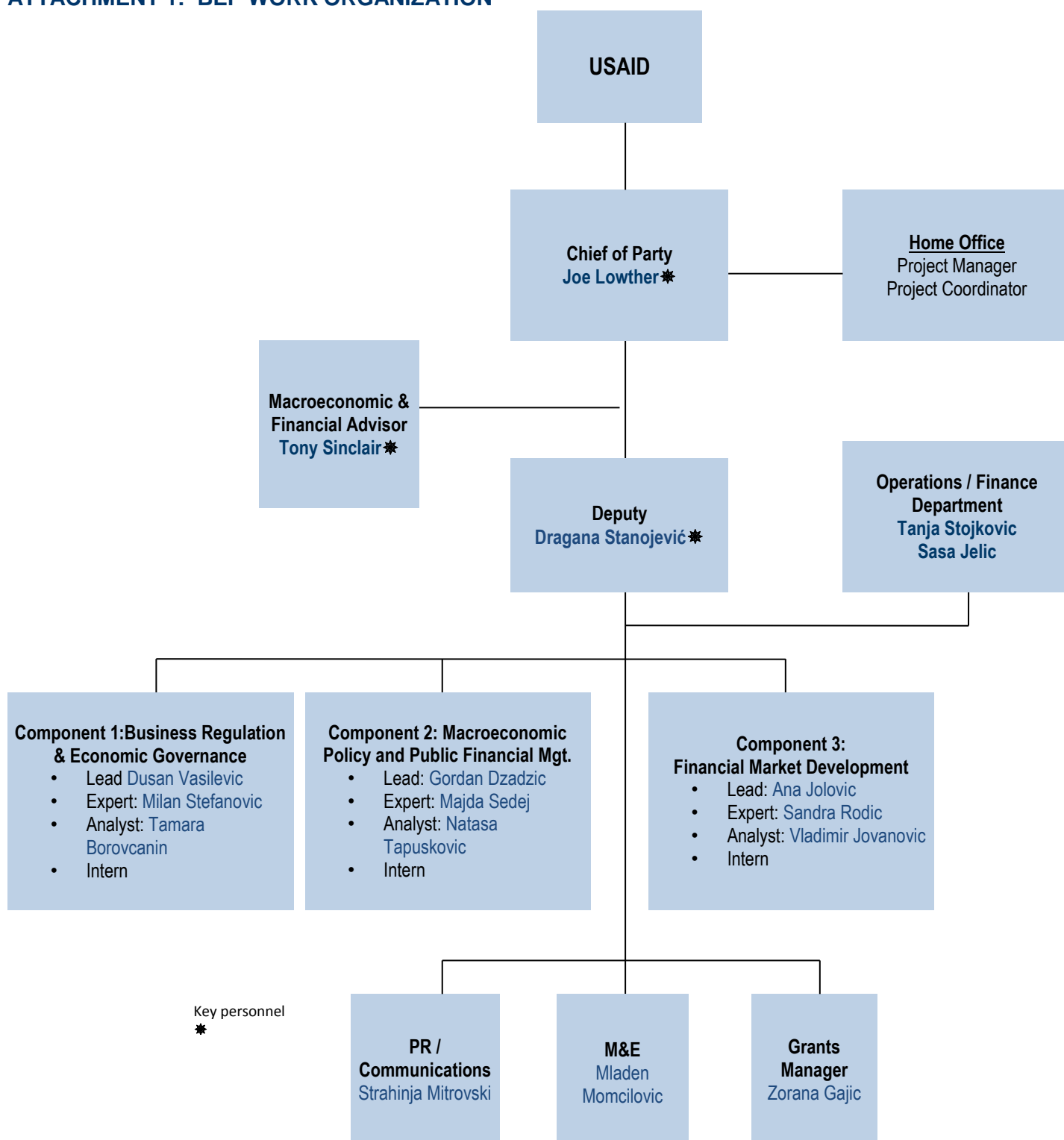
- Continuation of the capacity building assistance to the MFD through FREN grant implementation.
- Risk management capacity building training for the PDA.
- Consulting assistance to the PDA in implementing BEP's recommendations related to the better functioning of the debt management system.
- Donor coordination activities aimed at reaching a unified, consentient donor position on placing performance-based budgeting on the top of the Government's agenda; Organize a workshop/roundtable on strategic planning and budgeting with high level government officials and experts.
- National Savings Study to be completed.

Component 3

- Continued development of bylaws to implement new Capital Market Law.
- Participate in working group on Commodity Exchange Law and assist in developing a road map for commodity exchange development.
- Access to Finance Roundtables in Nis, sabac, Jagodina, and Subotica.
- Access to Finance study completed.

This concludes the narrative section of our Quarterly Report for the second quarter of 2011. Supporting detail is provided in the following attachment exhibits and tables.

ATTACHMENT 1: BEP WORK ORGANIZATION



ATTACHMENT 2: LIST OF MEDIA PUBLICATIONS

Date	Publication/Outlet	Title and description	Reach
12. 05. 2011	Vreme	Inadequate implementation of the law is the biggest problem, Interview Joe Lowther	29000
14. 05. 2011	Blic (Dodatak)	Help for the GoS, interview Dragana Stanojevic	918000
15. 05. 2011	Magazin Biznis	Article about the Project and announcement of the kickoff event	4000
19. 05. 2011	Ekonom:east magazine	Announcement of the USAID BEP kick off	6200
19. 05. 2011	Ekonom:east magazine	Money is not problem, there is no money. Joe Lowther's statement.	6200
21. 05. 2011	Vecernje novosti	Help, Joe Lowther's statement	590000
22. 05. 2011	www.danas.rs	Quasi fiscal charges, Interview Joe Lowther	
23. 05. 2011	Danas	Quasi fiscal charges, Interview Joe Lowther	29000
27. 05. 2011	www.economy.rs	Announcement of the USAID BEP kick off	
27. 05. 2011	www.vesti.rs	Announcement of the USAID BEP kick off	
27. 05. 2011	www.smedia.rs	Announcement of the USAID BEP kick off	
27. 05. 2011	www.novostidana.com	Announcement of the USAID BEP kick off	
27. 05. 2011	www.naslovi.net	Announcement of the USAID BEP kick off	
30. 05. 2011	www.blic.rs	Announcement of the USAID BEP kick off	
30. 05. 2011	www.enovine.info	Announcement of the USAID BEP kick off	
30. 05. 2011	http://vesti.aladin.info	Announcement of the USAID BEP kick off	
30. 05. 2011	www.najvesti.com	Announcement of the USAID BEP kick off	
30. 05. 2011	www.vesti.rs	Announcement of the USAID BEP kick off	
30. 05. 2011	www.infogo.biz	Announcement of the USAID BEP kick off	
30. 05. 2011	www.poslednjavest.com	Announcement of the USAID BEP kick off	

30. 05. 2011	www.smedia.rs	Announcement of the USAID BEP kick off	
30. 05. 2011	www.blokvesti.net	Announcement of the USAID BEP kick off	
30. 05. 2011	http://edukaplus.com	Announcement of the USAID BEP kick off	
30. 05. 2011	www.ekapija.com	Announcement of the USAID BEP kick off	
30. 05. 2011	www.rtvnp.rs	Announcement of the USAID BEP kick off	
30. 05. 2011	www.bizlife.rs	Announcement of the USAID BEP kick off	
31. 05. 2011	Pregled	Improvement of the business environment and finance, Article after the kick off	4000
31. 05. 2011	www.glassrbije.org	Serbia gets 16.7 million \$ to improve business environment, Article after the kick off	
31. 05. 2011	www.glassrbije.org	Serbia gets 16.7 million \$ to improve business environment, Article after the kick off	
31. 05. 2011	www.rtv.rs	16.7 million \$ for the competitiveness improvement, Article after the kick off	
31. 05. 2011	www.blic.rs	Kalanovic: Novi model rasta privrede za konkurentnost na svetskom tržištu	
31. 05. 2011	www.srb.time.mk	Kalanovic: New model for the economy growth and competitiveness improvement, Article after the kick off	
31. 05. 2011	www.ekapija.com	Serbia gets 16.7 million \$ to improve business environment, Article after the kick off	
31. 05. 2011	www.vesti.rs	Kalanovic: New model for the economy growth and competitiveness improvement, Article after the kick off	
31. 05. 2011	www.capital.ba	Serbia gets 16.7 million \$ to improve business environment, Article after the kick off	
31. 05. 2011	www.smedia.rs	Kalanovic: New model for the economy growth and competitiveness improvement, Article after the kick off	

31. 05. 2011	www.enovine.info	Kalanovic: New model for the economy growth and competitiveness improvement, Article after the kick off	
31. 05. 2011	http://vestisrbija.info	Kalanovic: New model for the economy growth and competition improvement, Article after the kick off	
31. 05. 2011	www.najvesti.com	Kalanovic: New model for the economy growth and competitiveness improvement, Article after the kick off	
31. 05. 2011	www.kurir-info.rs	Serbia gets 16.7 million \$ to improve business environment, Article after the kick off	
31. 05. 2011	www.emg.rs	Serbia gets 16.7 million \$ to improve business environment, Article after the kick off	
31. 05. 2011	http://vesti.aladin.info	Serbia gets 16.7 million \$ to improve business environment, Article after the kick off	
31. 05. 2011	www.poslednjavest.com	Serbia gets 16.7 million \$ to improve business environment, Article after the kick off	
31. 05. 2011	http://vesti5.net	Serbia gets 16.7 million \$ to improve business environment, Article after the kick off	
31. 05. 2011	www.naslovi.net	Serbia gets 16.7 million \$ to improve business environment, Article after the kick off	
31. 05. 2011	www.infogo.biz	Kalanovic: New model for the economy growth and competitiveness improvement, Article after the kick off	
31. 05. 2011	www.economy.rs	USAID Business Enabling Project was officially launched	
31. 05. 2011	www.glas-javnosti.rs	Serbia gets 16.7 million \$ to improve business environment, Article after the kick off	
31. 05. 2011	www.danas.rs	USA helps Serbia improve its business environment	
31. 05. 2011	RTS 1	USAID is financing new Project with \$16.7 million	
31. 05. 2011	TV Palma plus	Serbia gets 16.7 million \$ to improve business environment, Article after the kick off	

31. 05. 2011	RTS 1	USAID Business Enabling Project was officially launched	
31. 05. 2011	www.serbia-business.com	USAID Business Enabling Project was officially launched	
31. 05. 2011	www.poslovnojutro.com	USAID Business Enabling Project was officially launched	
01. 06. 2011	Vecernje novosti	No constraints for the businesses	590000
01. 06. 2011	Danas	USA helps Serbia improve its business environment	29000
01. 06. 2011	Kurir	The number of the day	480000
01. 06. 2011	Pregled	Improve the business' competitiveness	4000
01. 06. 2011	TV Avala	USAID Business Enabling Project was officially launched	
01. 06. 2011	www.bifonline.rs	USAID Business Enabling Project was officially launched	
01. 06. 2011	www.rts.rs	Program for the competitiveness	
01. 06. 2011	www.vestidana.rs	Program for the competitiveness	
01. 06. 2011	www.najnovijevesti.rs	Program for the competitiveness	
01. 06. 2011	www.kragujevaonline.rs	Program for the competitiveness	
01. 06. 2011	www.tanjug.rs	USAID Business Enabling Project	
02. 06. 2011	Ekonom: east magazine	Five years initiative	6000
02. 06. 2011	Napred	Advice instead of the fees	
03. 06. 2011	www.glassrbije.org	IZVOZNI MODEL PRIVREDNOG RAZVOJA	
03. 06. 2011	www.novci.rs	USAID Business Enabling Project	
04. 06. 2011	Blic (Dodatak)	\$16.7 million for the economy	918000
04. 06. 2011	TV B92	USAID Business Enabling Project was officially launched	
06. 06. 2011	Vecernje novosti	Stronger dinar pushes export oriented business	590000
06. 06. 2011	www.b92.net	Euro strikes back	
06. 06. 2011	www.novosti.rs	Stronger dinar pushes export oriented business	
07. 06. 2011	Ekonometar	\$16.7 million for the economy from the USAID	4000
07. 06. 2011	www.rpkns.com	Inspections reform	
07. 06. 2011	TV5 Niš	Inspections reform, Joe Lowther	
07. 06. 2011	NTV Niš	Inspections reform, Joe Lowther	
07. 06. 2011	BelleAmie	Inspections reform, Joe Lowther	
07. 06. 2011	TV Zona	Inspections reform is necessary, Joe Lowther	
08. 06. 2011	Pregled	More controls than the businesses	4000

08. 06. 2011	Narodne novine	Prevention instead of fees	
08. 06. 2011	www.rpknis.rs	Inspections reform is necessary	
08. 06. 2011	www.cityofnis.rs	Inspections reform is necessary	
12. 06. 2011	www.tehnologijahrane.com	Inspections reform	
15. 06. 2011	Profit	The Government Needs to Listen to Serbian Businesses	4000
15. 06. 2011	Profit	The Government Needs to Listen to Serbian Businesses	4000
15. 06. 2011	Magazin Biznis	Public private dialogue is necessary	4000
17. 06. 2011	TV Kanal 9 (KG)	Inspections reform, Joe Lowther	
20. 06. 2011	www.rtk.co.rs	Inspections reform	
23. 06. 2011	www.sumadijapress.com	Numerous inspections without effects	
24. 06. 2011	www.vibilia.rs	USAID Business Enabling Project was officially launched	
07. 07. 2011	www.037info.net	Inspections reform	

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ATTACHMENT 3: PROGRESS VERSUS WORKPLAN

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
Objective 1: Improve and streamline business regulation				
1. Improve Inspections Operations and Organization	Conduct an overall baseline assessment of the inspections system in Serbia.	April-July 2011	Baseline Assessment on Inspections	Roundtables in five municipalities completed. National level conference held. Assessment in progress - will be completed by the end of October 2011.
	Provide technical assistance for implementation of 2010 recommendations for streamlining inspections that GoS has adopted, including: a) the appointment of the Coordination Body for inspections reform and b) development of the Inspections Reform Strategy and Action Plan	April-October 2011	Strategy and Action Plan	Deputy prime Minister for Economic System accepted role of a champion of inspection reform and sponsor of establishment of the Inspections Reform Coordination Body. Expected in the Fall. Support to the coordination body to be provided for development of the Strategy and Action Plan.
	Assist the implementation of the Inspections Reform Strategy, including increasing transparency, streamlining regulations, establishing coordination between inspections and decreasing the number of steps and procedures.	October 2011-April 2012	Pilot public web based portal for inspections; Report on reduction of number of procedures and steps	Activity expected to take place in the period of October 2011-April 2012
2. Remove or reduce quasi fiscal burdens to businesses	Develop an inventory and analysis of cost of charges and fees imposed on businesses by GoS entities	April-June 2011	Inventory of Charges and Fees	Grantee for this work has been chosen, grant is pending award. Inventory and analysis to be completed in January or February.
	Facilitate stakeholders' discussion on the cost and lack of predictability and certainty of charges and fees on local and national level and develop solutions	May-July 2011	Issue-Tracker; Report on proposed solutions	Activity to begin as soon as the inventory and analysis are completed.

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
	Advocate for changes in relevant legislation and practice	July–November 2011	Media and other communications; Roundtables and Conferences	Activity to begin as soon as the inventory and analysis are completed.
	Assist in preparation of legislative and procedural solutions, based on stakeholders dialogue	November 2011 – March 2012	Legislation to remove or limit charges and fees	Activity expected to take place in the period after January 2012.
3. Assist implementation of the Law on Enforcement (adoption expected in April)	Finalize the bylaws needed for the implementation of the Enforcement Law	April-July 2011	Enforcement bylaws drafted and adopted	Ongoing. Project participates in the MoJ working group. Several bylaws adopted, number of them in different drafting stages. The activity is planned to last until the May 2012.
	Develop and conduct training program for future Private Enforcement Officers (PEOs) and procedure for appointment of PEOs	April 2011 – November 2011	Training program (app. 300 PEOs trained)	This activity is on hold at the moment. However the MoJ expressed high level of interest for the implementation of the preparatory training and keeps asking for the technical assistance in this area.
	Develop system for appointment and supervision of PEOs, including establishment of MoJ unit to oversee PEOs (training and procedures), organize exam	April 2011 – April 2012	MoJ Enforcement Supervision Unit operational First PEOs exam	Ongoing, in the form of preparation of bylaws for the Enforcement Law. The establishment of the MoJ Regulatory Unit is expected in the Fall.
4. Streamline Construction Permitting	Conduct research on Construction Permits Procedures Priority Constraints and facilitate stakeholders dialogue to develop priority list and action plan for improvements in legislation and practice	April 2011 – February 2012	Report on Construction Permits Procedures Priority Constraints; Issue-Tracker and Action Plan	Stakeholders dialogue ongoing, particularly on the conversion issue. Grant for research will be awarded by the end of October, and research itself will be completed by the end of January 2012.
	Assist the Ministry of Environment and Spatial Planning (MESMP) in developing bylaws and Official Opinions for the proper implementation of the new Law on	April 2011 – April 2012	Bylaws and Official Opinions drafted and	Ongoing – focus on conversion decree resulted in adoption of that bylaw. BEP is also interested in

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
	Planning and Construction		adopted / issued	PPP in construction decree.
	Conduct pilot RIA for selected MESMP bylaws	April 2011 – April 2012	Pilot RIA conducted	First RIA expected to be on PPPs in construction, expectedly in October or November 2011.
Objective 2: Business Effectively Partners with Government in developing and implementing regulatory reforms				
1. Improve Public Private Dialogue	Facilitate improved dialogue between the GoS and businesses on regulatory reforms (on-going activity)	April 2011 – April 2012	Quarterly Coordination Meetings, Workshops & Roundtables, Business reps appointed members of Drafting Work Groups in comm. law area	Ongoing – 5 roundtables and one national level conference on inspections reform and 2 on conversion decree already organized.
	Conduct an Annual Survey of Business Community on major regulatory constraints	April 2011 – July 2011	2011 Survey Results on Major Constraints to businesses	Grant awarded, results expected in October 2011.
1. Improve Quality and Quantity of Legislative and Regulatory Reforms	Conduct an Overall Standard Cost Model Study on the costs of regulatory constraints for doing business in Serbia	April 2011 – July 2011	Overall Standard Cost Model Study on business constraints	Ongoing – results expected in October 2011. List of more than 150 procedures to be assessed is developed and most procedures already completed.
	Assist the GoS Secretariat in developing transparent Annual Legislative Action Plan	May 2011 – April 2012	Annual Legislative Action Plan Developed and publically available	Activity to start in October – results expected after November 2011.
	Assist the GoS Secretariat in streamlining drafting procedures and making them fully inclusive and transparent	May 2011 – April 2012	Amendments to the GoS Rules of Procedure New methodologies for inclusive and transparent drafting	Activity to start in October – results expected after November 2011.

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
	Assist in drafting and adoption of the National Strategy and Action Plan for 2011 – 2012	November 2011 – March 2012	Regulatory Reform Strategy and Action plan	Activity started, Draft Strategy expected in November 2011.
	Support preparation of RIA for selected legislation (ongoing activity)	April 2011 – March 2012	Regulatory impact assessments	First RIA for a bylaw is expected in November 2011 – most likely on Law on PPPs
Objective 4: Improve GoS competition policy and capacity to implement that policy				
1. Develop basis for improvements in competition policy and oversight	Apply Standard Cost Model to measure cost of anti-competitive practices	April 2011 – July 2011	Report on Cost of anti-competitive practices	This activity is in progress, results expected by the end of October.
	Dialogue on competition impeding factors and costs of anti-competitive practices: GoS, Competition Commission, business community and general public	July 2011 – Sept. 2011	Presentations, advocacy and PR activities	This activity is on hold awaiting USAID decision due to lack of responsiveness of the Competition Commission.
	Outreach on the need to deal with competition constraints outside of the realm of monopolies	June 2011 – December 2011	Media outreach; Workshops, Roundtables	This activity is on hold awaiting USAID decision due to lack of responsiveness of the Competition Commission.
2. Develop institutional framework for proper implementation of competition policy	Develop Curriculum and train Administrative Courts judges and the Supreme Court judges involved in second instance procedures related with competition regulations	Sept. 2011 – April 2012	Training for Judiciary of the first and appellate instances	This activity is expected to start after November 2011.
Objective 5: Improve Corporate Governance Policies, Standards and Regulations				
1. Support implementation of the new Company Law (adoption expected by June)	Assist GoS in drafting bylaws needed for the implementation of the provisions on Corporate Governance in the new Company Law	October 2011 – January 2012	Bylaws	This activity is scheduled for the period of October 2011 – January 2012.
	Develop Curriculum and train Commercial Court judges on implementation of the new Company Law	October 2011 – April 2012	Training for Judges	This activity is scheduled for the period of October 2011 – January 2012.
	Information dissemination on the company law to business community	Sept. 2011 – April 2012	Brochure, media outreach	This activity is scheduled for the period of September 2011 – January 2012.

Component 1: Business Regulation and Economic Governance				
Task	Activities	Activity Period	Deliverables	Status
Communications and Outreach Activities				
Outreach to General Public on the findings of the SCM Study and the Annual Business Survey (Task 2 and 3)		Sept 2011-ongoing		This activity is scheduled for the period after September 2011.
Organize outreach activities to promote need for implementation of inspection reforms (Task 1.1)		June 2011-ongoing		Ongoing – started with five inspections reform roundtables and national level conference
Raise awareness of decision makers on implications of para-fiscal impositions on competitiveness of Serbian economy (Task 1.2)		Sept 2011-ongoing		This activity will take place in the period after January 2012.
Raise awareness on competition constraints and their cost (Task 4.1)		Oct 2011-ongoing		This activity is contingent on USAID decision on competition protection activities..
Assist outreach campaign on the importance and benefits of the new enforcement system (Task 1.3)		May 2011-ongoing		The action plan that MoJ has agreed with, sets the outreach campaign for the Fall 2011.
Enable journalists to learn more about economic topics and economic reforms needed in Serbia (Task 2.1)		Ongoing		Ongoing – all inspections roundtables and particularly national level conference included media information element.
Promote regulatory reform initiatives (maintaining regular contacts with media, designing the content and maintaining the BEP website, communicating regularly with USAID)		Ongoing		Ongoing.
Information dissemination on corporate governance to business community (Task 5.1)		Ongoing		Ongoing.
Gender Integration Activities				
Inclusion of gender analysis in RIA		Ongoing		Ongoing
Analysis of gender impact of legislation and regulations supported by Project		Ongoing		Ongoing

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
Objective 1: Improve GoS budgeting, fiscal policy analysis, and financial management efficiency				
1. Capacity building	Assistance with the establishment of operational guidelines and policies	Ongoing all year	FC Operational	Ongoing. Providing STTA and

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
assistance to the Fiscal Council and Improvements to fiscal responsibility			Guidelines	advice from Project staff to FC. Also monitoring STTA activities.
	Assistance with the development of a public communications/outreach operation and strategy	Jun – Dec 2011	Communications strategy	Component team had meetings with FC members to advocate for public outreach support. Meetings were constructive and FC was interested to receive examples of how public outreach is being handled in other countries. We intend to provide some benchmarking of FC's. C2 will continue to pursue external initiatives to support awareness building of the role of FC's.
	Assistance with the development of a framework for enforcing fiscal rules and compliance with Budget Law	Jul – Dec 2011	Enforcement Regime Advisory Report	The FC was not granted enforcement powers, thus our support for this may not be requested.
2. Assistance to the GoS General Secretariat to improving budget coordination and performance management	Assistance to the General Secretariat on developing performance indicators and options for improving the coordination of GoS budgeting, investment, and financing activities.(See also support provided in Component 1)	Sept 2011	Advisory notes	We have initiated multi-donor coordination meetings. We are looking at hosting a joint high level event to engage the PM's office in addressing strategic budgeting.
3. Improvements to Fiscal Analysis and Strategy by the MoF	Capacity building assistance to the Macro Fiscal Department on macroeconomic forecasting and analysis to support fiscal responsibility EU pre-accession requirements, and overall fiscal strategy development	Intermittent through year	Briefing papers and technical notes; Econometric Model	Ongoing. Our expert from Slovenia provided training and consultation in the first/second week of September that was very well received. New grant agreement is about to be signed with a grantee for a six-month long capacity building.
	Study tour to 1-2 countries in the region to learn how to apply fiscal analysis to policymaking processes (e.g. Croatia, Slovenia, and/or Austria)	Oct-Nov 2011	Study Tour	The implementation of the new foreseen training plan will identify areas / topics for the study tour

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
				which is now planned to take place in Italy.
	On-site training to Macro-Fiscal Department on fiscal policy analysis and impact modeling	Intermittent through year	Technical workshops and advisory sessions	Not started. The focus right now is on preparing structural deficit projections and related training.
4. Assist the MoF Budget Department to develop capacity for improved transparency and program budgeting	Comparative practices study on the use/application of performance-based budgeting	May – June 2011	Advisory Report on Comparative Practices and Benchmarks	Reached preliminary agreement with Budget Department Head on BEP assistance. We will focus on a study of performance measurement of government programs and propose a high level framework suitable to Serbia and a performance based study on narrowly selected state aid.
	Assistance with benchmarking and research on performance indicators for select government programs and subsidies and assist the Budget Department to develop indicators for measuring program performance	June-July 2011	Advisory Report on Performance Measurement	This is the same work described in the previous point above.
	Inter-ministerial workshop on the results of the research and key policy prescriptions for integrating the results to develop a framework for program budgeting	September-October 2011	Workshop	Related to last task.
	Training on program budgeting to Budget Department staff (if a new unit is established as recommended by the IMF) and selected line ministries.	Intermittent during yr	Training and materials	New unit has not been established yet. See also above on work at the General Secretariat
5. Improvements to Fiscal Policy, Strategy and Analysis	Provide support to FREN for implementation of its new business plan	May– Dec 2011	Will depend on nature of support	Ongoing. We have provided assistance about the business plan and are now waiting for USAID's position on whether to continue with the subsidy program or to start providing grants for services specific to BEP needs.
	Quarterly workshops for journalists in public finance (possible cooperation with BIRN NGO)	Intermittent during year	Workshops	An event was organized in July. Another event will be organized once grantee for journalist trainings is selected in late October 2011.

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
	Design and conduct 2-3 specialized policy-focused studies on relevant fiscal issues engaging local think tanks and economic institutes	TBD	Research advocating policy changes	Ongoing. We have issued an RFA for a study on national savings. We are engaged in developing/designing the research outlines for other studies (shadow economy, state aid, impact of fiscal policies on SMEs) and are seeking to develop on the cost of poor debt management. We are also conducting a review of additional proposals from MAT and others on selected topics that can be funded under the open program statement.
Objective 2: Improve public debt management and conditions for government financing				
1. Improving conditions for public listing of government debt (See also Component 3)	Development of procedures and processes supporting the public listing of GoS debt	Oct – Mar 2011	Action plan	Ongoing. We conducted a market assessment to identify the barriers to public issuance but found that the main barriers are in the re-opening processes and have had a number of discussions/meetings on the topic. The PDA Director has retired and we may be able to put this issue on the top of the agenda of the acting or new Director.
	Development of an action plan and strategy for development of a primary dealer market for government debt	Dec-Mar 2011	Action plan	Not started. The PDA Director has retired and we will assess priorities of the Acting Director or the new Director.
2. Assistance to improve debt management systems, analysis, and capacity	TRASSET Review and MIS Strengthening	Aug-Dec 2011	Reports, Training	We have conducted the review of PDA's debt management information system and provided our findings and recommendations in a 39-page report. We plan to assist the PDA with the implementations

Component 2: Macroeconomic Policy and Public Financial Management				
Task	Activities	Activity Period	Deliverables	Status
				outlined in the report.
	Assistance to Strengthen Organization and Skills Capacity of the PDA	Oct-Dec 2011	Training, Workshops	We are also preparing a memo to outline some proposed training for PDA staff in the next quarter. The departure of the PDA head may lead to delays, but we are moving ahead on assumption that work can continue as planned. We also undertook donor coordination activities with the IMF, World Bank, and EU to make sure that our activities do not overlap.
Objective 3: Improve macroeconomic policy and strategy				
1. Tactical Assistance to advance the GoS macroeconomic strategy	Design and development of a study of reform options for improving the national net savings rate – a key underpinning of the new growth model	Fall	Policy Reform Report	Research outline has been created and the grant RFA is about to be published.
	Conduct analysis, facilitate dialogue and conduct outreach on reforms to reduce the shadow economy	Ongoing	Media publications	Reviewed existing research on the grey economy. Further work will come after the work on impact of quasi-fiscal charges on businesses and business survey.
Communications and Outreach Activities				
Support to the Fiscal Council on outreach and communication strategy		When FC established		As noted above, We will likely pursue external initiatives to support awareness building of the role of FC's
Press and media events associated with the results of select studies		All year		Pending completion of planned research and survey

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
Objective 1: Increase capital available to businesses through creation of a regulatory framework for NBFIS				
1. Assistance for the implementation of the new Capital Markets Law	Support to MoF (Ministry of Finance) and Securities Commission (SC) to respond to enquiries and promote public acceptance of the new capital markets laws (enactment expected March 11)	April-July 2011	Various – briefs and advisory notes	Ongoing. Currently assisting SC PR department to prepare and organize conference to promote Capital Market Law and bylaws. The SC postponed conference for the beginning of the next calendar year (February) since they expect delay in law implementation. Already completed - translation of the Capital Market Law, which is important for foreign investors (available on SC and BEP webpage and link on BSE web page).
	Assist with the development of selected bylaws and supporting regulatory directives and guidelines to guide implementation of the law	All year	Legal drafts Outlines of By-laws drafted	Ongoing. Currently STTAs assisting the SC legal department to develop and finalize bylaws. At this moment they are working on 32 pieces of regulation that will be combined into bylaws regarding prospectus, investment firms, Investors Protection Fund and market abuse.
	Provide roundtables/workshops for industry practitioners and journalists on the new law	April – October	Training materials	Ongoing. Full-scale training is awaiting completion of bylaws. However, we started to work in presenting the new law to the industry participants by contributing on Belgrade Stock Exchange “Upgrade in Belgrade”

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
				conference (November).
2. Assistance for development and implementation of other capital market-related laws	Assistance with the implementation of law and development of by-laws for the new Investment Fund Law (enactment expected September 11)	Sept – Mar	Legal drafts Outlines of By-laws drafted	Completed. As a part of the effort to improve the law, STTA completed work on transposition table (official table of Investment Fund Law compliance with EU Directives). Expert provided recommendations and comments to the MoF for Investment Law improvements. Substantial improvements are not expected until the next year. The SC and MoF requested us to focus on the Capital Market Law until the end of the year, since the new Investment Fund Law did not make changes in implementation.
	Training to the SC and market participants on the new Investment Fund Law	Dec-Feb	Training materials	Activity scheduled for December – February 2012. There is a training to the SC planned on supervision including supervision on investment funds. We will schedule training for market participants after the Capital Market bylaws are adopted.
3. Assistance for the development of an enabling regulatory framework for MFIs	Participate in and facilitate continuation of the working group on MFI's	April-Nov	Ongoing process of drafting law	Postponed. We are waiting for new staff to come on at MoF who will cover FS activities. However, it is possible MoF is not likely to work on the law this year due to other priorities. Meanwhile, we have shifted focus

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
				on SMEs access to finance. As a part of broad research of access to finance for SMEs in Serbia, we started series of five regional roundtables. The first one was in Novi Pazar. Additional roundtables are scheduled until the end of the year.
	Provide advisory assistance to complete and finalize the law for parliamentary consideration and provide support for enactment	April – Dec	Recommendations and legal analysis	Postponed.
	Conduct a research “Lessons learned on MFIs in the region”	May- July	Case study research	Ongoing. Already completed small-scale in-house research. Given the difficult environment for MFI and increased focus to access to finance, we shifted resources to SME access to finance and will seek more active advocacy for MFI after the elections.
	Assist the MoF to develop a supervisory framework for MFI's and train staff on consumer protection and market conduct regulation	April – into Yr. 2	Supervisory Framework Report Workshops	Postponed.
	Assist the MoF to develop a public education strategy to strengthen market discipline of MFI lending practices	Feb-Mar Year 2	Public Education Brochure	Postponed.
4. Assistance for the development of a legal framework and strengthened enabling environment for a commodity exchange	Provide a study tour in on commodity exchanges functioning, supervision and clearing	July	Study tour	Postponed. MoATFWM requested study tour to be postponed until the law is drafted.
	Participate and contribute to the working group on commodity exchange law	Apr 2011 - Mar 2012	Commodity Exchange Law	Ongoing. Project participates in the MoATFWM working group. Conducting in-house research on commodity exchanges in Europe.
	Outreach to educate stakeholders on development of commodity exchange	Sep-Nov 2011	Media materials; Produktna berza	Ongoing. Supporting and contributing to the round table “Key

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
			website content; written communications	Economic and Legal Assumptions for Successful Commodity Exchange Functioning" (Conference "Food for Europe") in Subotica, mid-October.
	Assist in developing a road map for the commodity exchange development and help the Produktna Berza Novi Sad address selected technical issues to support exchange development	April-July 2011	Feasibility study	Ongoing. STTA recruited, subject to the progress of the working group on the law, to provide technical assistance during September 2011 to January 2012.
Objective 2: Strengthen integrity of the capital markets by ensuring equity issuers and brokers comply with securities laws				
1. Assistance to build capacity of the Securities Exchange Commission in brokerage and investment fund supervision	Training and train-the-trainer sessions for the SC on supervision of securities intermediaries and investment funds	May-Aug 2011	Training materials and course	Postponed. Activity scheduled to start after adopting bylaws. The SC asked us to focus on the capital market bylaws. During the recent discussion, they expressed interest for the training immediately after the bylaws are done, and soon we will start planning.
	Two training workshops for market participants (brokerages and investment funds) on compliance with the new Capital Markets Law	July – Oct 2011	Training materials and course	Postponed. Activity scheduled to start after adopting bylaws.
Objective 3: Improve GoS access to finance through development of a long-term, liquid public debt market				
1. Assistance to identify and develop the key regulatory criteria for developing a government debt market	Technical assessment with Debt Mgt. Administration, Belgrade Stock Exchange, and Central Registry to identify constraints to public listing of government debt and re-opening operations.	June 2011	Technical brief and action plan	Ongoing. Working on in-house research on identifying constraints for public debt market development and research on primary dealers.

Component 3: Financial Market Development				
Task	Activities	Activity Period	Documentary Deliverables	Status
	Assistance to the SC to develop listing and disclosure criteria for municipal debt	Feb 2012	Draft listing and disclosure requirements	Activity scheduled for February 2012. The SC requested from us to focus on the capital market bylaws. Moreover, Public Debt Law does not allow the public issuance of the municipal bonds.
Objective 4: Strengthen public-private dialogue on the financial sector and its role in economic development				
1. Facilitation of increased debate and analysis of the financial sector	Public Roundtable or sponsored-session in Kopaonik meetings FY 2012: "Financial Sector Development and It's Role in Economic Growth and Poverty Alleviation in Serbia"	March 2012	Conference	Activity scheduled for March 2012.
	Outreach on financial sector development and its role in economic growth and poverty alleviation	Ongoing	Media materials; journalist training; roundtables	Ongoing. Currently preparing the conference with the SC.
Objective 5: Strengthen disclosure and transparency supporting new investment by assisting the GoS to implement required accounting, audit and disclosure standards				
No activities planned in Year 1.				
Communications and Outreach Activities				
Support for promotion and education on the new capital markets law		April-October		Ongoing. Currently outlining conference with SC and supporting and participating at Belgrade Stock Exchange conference (November). Translation of the Capital Market Law completed.
Communications activities related to conference on financial sector development		March		Activity scheduled for March 2012.
Communication related to development of MFIs		July -March		Pending. Given the difficult environment to MFI and increased focus to access to finance, we shifted resources to SME access to finance.

Communication related to development of commodity exchanges	September - April		Ongoing. Currently supporting and participating at on round table "Key Economic and Legal Assumptions for Successful Commodity Exchange Functioning" (Subotica, mid-October).
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ATTACHMENT 4: PROGRESS VERSUS PERFORMANCE MONITORING PLAN

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status
Mission Assistance Objective: Create A More Competitive Market Economy						
	Decrease in the "Burden of Government Regulations" addressing Government Inefficiency	WEF GCI Reports	Annual	2010: 2.33 (This baseline dates back to the WEF GCI 2010 field data conclusion that took place in May 2010, and will be replaced by the one from May 2011, when the actual USAID BEP activities commenced, to be found in the WEF GCI 2011 report to be published before the end of 2011). Applicable to all indicators coming from the WEF GCI Reports	Yr 1: 2.33 Yr 2: -2.33 Yr 3: 2.47 Yr 4: 2.60 Yr 5: 2.74	None. 2011 WEF GCI Scheduled for Jan 2012.
	Decrease in costs for businesses to comply with regulatory framework	Standard Cost Modeling (SCM)	Annual	Baseline to be conducted by 15. September of Yr1.	Yr 1: 5% decrease Yr 2: 5% decrease Yr 3: 5% decrease Yr 4: 5% decrease Yr 5: 25% total of decrease	None. First SCM results scheduled for Sep 2011.
	Increase in Foreign Direct Investment	National Bank of Serbia (NBS)	Annual	2010: 3.3% of GDP	Yr1: FDI at 3.3% of GDP Yr2: FDI at 3.3% of GDP Yr3: FDI at 4% of GDP Yr4: FDI at 5% of GDP Yr 5: FDI at 6% of GDP	None. NBS stats for 2011 scheduled for Feb 2012.
	Improvements in the Open Budget Index ("OBI") Score as reported by the International Budget Partnership	OBI Survey	Bi-Annual	2010: 54	Yr 1: - n/a Yr 2: -n/a Yr 3: OBI score 54 Yr 4: n/a Yr 5: OBI score 57	None. Next OBI Survey results scheduled for March 2013.

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status
	Improved Government Budget Balance as percentage of GDP	MoF (changed from “WEF GCI” due to the change of targets coming from the Law on Budget)	Annual	2010: -4.1 %	Old targets: Yr 1: - 4.4% Yr 2: - 4.0 % Yr 3: -3.9 % Yr 4: -3.7 % Yr 5: -3.6% The targets are changed due to newly established fact that the fiscal rules defined by the Law on Budget sets the following targets for budget deficit reduction over the five-year period: New targets: Yr1: 4.1% of GDP Yr2: 3.2% of GDP Yr3: N/A Yr4: N/A Yr5: -1% of GDP	None.
	Improved score in WEF GCI “Financial Market Sophistication” Indicator	WEF GCI reports	Annual	2010: 3.9	Yr1: 3.9 Yr2: 3.95 Yr3: 3.98 Yr4: 3.99 Yr 5: 4	None. 2011 WEF GCI Scheduled for Jan 2012.
	Credit to private sector as a percentage of GDP	National Bank of Serbia (NBS)	Annual	2010: 40%	Yr 5: 60%	None. NBS stats for 2011 scheduled for Feb 2012.
Component 1: Business Regulation and Economic Governance Improved						
1. Improve and streamline business regulation lowering the costs to businesses and government from business regulations	Reduction in inspections related costs to businesses	Standard Cost Modeling (SCM)	Annual	Baseline to be conducted by 15. September of Yr 1	TBD	None. First SCM results scheduled for Sep 2011.
	Number of Professional Enforcement Officers trained, passed the exam, and	MoJ Data	Annual	N/A	Yr 2: 300	None. Trainings to commence in

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status
	ready to get appointed'					the Fall 2011.
	Number of days to enforce a judgment	World Bank Doing Business Report	Annual	2010: 635 This baseline dates back to May 2010, published in the Fall of 2010, and will be replaced by the one from May 2011, when the actual USAID BEP activities commenced, to be found in the WB DB Report 2011 to be published before the end of 2011. Applicable to all indicators coming from the WB DB.	Yr 3: 530 Yr 4: 475 Yr 5: 417	None. The new WB DB results scheduled for January 2012.
	Number of days dealing with constructions permits	World Bank Doing Business Report	Annual	2010: 279	Yr 5: 220	None. The new WB DB results scheduled for January 2012.
	Business perception of the burden of laws and regulations improves	Project Survey	Annual	Baseline to be conducted by the end of September of Year 1	TBD	None. The Survey results scheduled for end September 2011.
2.Business effectively partners with Government in developing and implementing regulatory reforms	Increase in business sector participation on laws improving regulatory environment	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Year 1	Yr 5 : 50% increase in the engagement of the business sector in improving the regulatory environment	None. The Survey results scheduled for end September 2011.
	Quality of regulatory environment introduced and sustained	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Year 1	Yr 5 : Perception of the quality of the regulatory environment improves 25%	None. The Survey results scheduled for end September 2011.
	Number of public private dialogue mechanisms/ events created by the project	Project Reports	Annual	N/A	Yr1: 3 Yr2: 5 Yr3: 5	So far seven round tables took place.

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status
					Yr4: 5 Yr5: 2	
3. Improve and support the regulatory review process and RIA process	Number of (change: add 'substantial' as there are many RIAs without much of importance) RIAs conducted by GoS	Project Reports/ Office of Regulatory Reform Reports	Quarterly	2010: 82	Old targets: Yr 1: 90 Yr 2: 100 Yr 3: 140 Yr 4: 160 Yr 5: 180 The targets are changed due to newly established knowledge regarding the RIA process; hence the new following targets are established: New targets: Yr 1: 10 Yr 2: 15 Yr 3: 20 Yr 4: 25 Yr 5: 30	8 RIAs conducted so far.
	Business perception of transparency and predictability increases	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Year 1	TBD	None. The Survey results scheduled for end September 2011.
4. Improve the Government's competition policy and capacity to implement the policy	Number of members of the Commission for the Protection of Competition, Administrative and Supreme Courts judges trained in implementation of the Competition Law	Project Reports	Quarterly	N/A	Y1: 25 Y2: 25 Y3: 35	None. Trainings to commence in the Fall 2011.
	Improvement in WEF GCI "Anti-Monopoly Policy" addressing Competition	WEF GCI reports	Annual	2010: 2.76	Yr 5: 3.6	None. 2011 WEF GCI Scheduled for Jan 2012.

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status
5. Improve corporate governance standards, policies and regulations	Number of Corporate Governance OECD Principles complied with in Serbian legislation	Project Survey/ OECD Reports	Annual	Baseline to be conducted by the end of November Yr1.	Target TBD by the end of September Yr1.	None. The next analysis of the compliance level scheduled for April 2013.
	Number of Commercial Court judges trained in implementation of the Company Law	Project Reports	Quarterly	N/A	Yr 1: 20 Yr 2: 30 Yr 3: 40 Yr 4: 50 Yr 5: 60	None. Trainings to commence in the Fall 2011.
2. Macroeconomic Policy and Public Financial Management Enhanced						
1. Improve GoS budgeting, fiscal policy analysis, and financial management efficiency	Improvement in the quality of Medium Term Budgeting and Prioritization	Project Reports	Annual	No effective budgeting framework is in place	Budgets among ministries are better reflected of their strategic priorities. Reporting is much more credible. Yr 1: Fiscal Strategy Report contains estimates of potential GDP Yr2: FSR contains estimates of structural deficit Yr3: FSR contains estimates on tax expenditures	None. Initial results due before end 2011.
	PEFA Multi- Year Score perspective in fiscal planning , expenditure policy and budgeting	PEFA Assessment	Annual/ Results published every 3 years	2010: Scored C	Yr 5: Score B	None. The 2013 PEFA Assessment scheduled for November 2013.
	PEFA Assessment Score on predictability in the availability of funds for government expenditures	PEFA Assessment	Annual/ Results published every 3 years	2010: Scored C+	Yr 5: Score B	None. The 2013 PEFA Assessment scheduled for

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status
						November 2013.
	Number of articles published in the area of fiscal policy... (added clarification: ...containing research and analysis provided through BEP assistance that support changes in fiscal policy)	Project Report	Monthly	N/A	Yr5: 5	None. Initial results due before end 2011.
	Quality of public dialogue and debate on macroeconomic and fiscal issues	Project Report (Telephone survey by C2)	Annual	Baseline to be conducted by the end of Yr1. by reaching out to the set sample of the C2 GoS partners with a question: "Do you think that there is functioning public dialogue and debate on macroeconomic and fiscal issues improved this year ? If yes how would you grade it from 1 to 5 (where 5 is the best) "	Yr 5: 50% improvement from baseline assessment	None. Baseline to be conducted by the end of Yr1. The following survey to be done before end 2012. (Media branch took place in 7/11).
2. Improve public debt management and conditions for Government financing	Value of dinar denominated debt	Statistics Office	Annual	2010: Value of dinar debt is 14% of total borrowing	Yr 5: Proportion of borrowing increases to 20%	None.. Statistics Office stats for 2011 scheduled for Feb 2012.
	<i>Government initiates a public issue of debt</i>	Statistics Office /Project Report	Annual	<i>No Public Issuance has been done yet</i>	Yr 5: Public Issuance occurred	None. Statistics Office stats for 2011 scheduled for Feb 2012.
3. Improve macroeconomic policy and strategy	Improvements in WEF GCI on "Macroeconomic Environment" addressing Nation's Savings Rate	WEF GCI reports	Annual	2010: 7.2	Yr 5: 15	None. 2011 WEF GCI Scheduled for Jan 2012.
	Number of published studies and articles containing research and analysis provided through BEP assistance that support changes in macroeconomic policy	Project Report	Annual	N/A	Yr1: 2 Yr2: 5 Yr3: 8 Yr4: 8 Yr5: 6	None. Initial results due before end 2011.
	Quality of public dialogue and awareness	Project Report	Annual	Baseline to be conducted by the	Yr 5: 50% improvement	None. Baseline

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status
	of macroeconomic reform and policy making	(Telephone survey by C2)		end of Yr1. by reaching out to the set sample of the C2 GoS partners with a question: "Do you think that there is functioning public dialogue and awareness of macroeconomic reform and policy making? If yes, how would you grade it from 1 to 5 (where 5 is the best) "	from baseline assessment	to be conducted by the end of Yr1. The following survey to be done before end 2012.
	Number of person hours of training of GoS staff on macroeconomic policy and public financial management topics	Project Reports	Annual	N/A	Yr1: 500 Yr2: 1000 Yr3: 1000 Yr4: 750 Yr5: 300	None. Initial results due in September 2011.
Component 3: Increased Financial Market Development						
1.Increase capital available to business through the creation of a regulatory framework for NBFIs	Number of person hours of training of journalists from publications that cover business (Source: Project Reports)	Project Report	Annual	N/A	Yr 1: 400 Yr.2: 800 Yr 3: 800 Yr 4: 800 Yr 5: 400	None. Trainings to commence in the Fall 2011.
	Improved access to finance	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Yr1.	TBD	None. The Survey results are due by end of September 2011.
	Status of the legal and market framework for a commodities exchange	Project Report/MoF Report	Annual	Regulatory framework currently not in place	Yr 2: Commodities exchange law and regulatory framework established Yr 3 : Establishment of the commodities exchange	None. Promulgation of the new legislation expected in Yr2.
2.Strengthen integrity of the capital markets by helping the GoS to build capacity to ensure equity issuers and brokers comply with securities laws	Number of intermediaries trained and advised about upcoming securities laws	SEC and Project Report	Annual	Majority of intermediaries trained and advised	Annual levels: Will depend on the speed of implementation of new law and agreement w/ Securities Commission and	None. The results are due by January 2012.

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status
					MoF By end of project: Yr5: 75% of intermediaries trained and advised on changes and benefits brought by new securities laws	
	Number of financial regulators trained in non-bank regulatory matters	Project Report	Annual	N/A	Annual levels: Will depend on training schedules agreed w/ counterparts and topics. By end of project: At least 75% of all staff from the Securities Commission, MoF, and NBS who carry out a regulatory function in the non-banking sphere.	None. To be determined when the relevant intervention will take place.
3. Improve the GoS to access finance through the development of long term, liquid debt public market	Value of dinar denominated debt	Statistics Office	Annual	2010: Value of dinar debt is 14% of total borrowing	Yr 5: Proportion of borrowing increases to 20%	None.
	Issuance of public debt through a primary dealer network or other distribution mechanisms	MoF or Project Report	Annual	Currently no public debt issuance through primary dealer network or other distribution mechanisms	Yr 3: Occurrence of issuance of public debt through a primary dealer network or other distribution mechanisms	None.
4. Strengthened public-private dialogue on the financial sector and its role in economic development	Increased awareness of the role of the financial sector in economic development	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Yr1.	Yr 5: 50% increase in awareness	None. The Survey results scheduled for end September 2011.
5. Strengthen the disclosure and transparency supporting new	Compliance with IOSCO standards in areas of securities intermediaries and	Project and IOSCO Reports	Annual	Since compliance with IOSCO was not calculated previously BEP	Yr 5: Compliance improves to 60% or	The new compliance rate

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status
investment by assisting the GoS to implement required accounting, audit and disclosure standards	equity issuance improves			Component 3 Team has prepared in depth report on IOSCO compliance as of February Yr1. Compliance is currently evaluated to be around to 50%	better	due January 2012.
4.Business-Education Partnerships Developed (PENDING APPROVAL)						
1.Identify business education needs related to enterprise, financial sector and government management	Selection of coursework priorities, staffing and educational partnerships	Project Reports	Annual	N/A	Yr 2 - Educational priorities and partnerships with the business community established	N/A
	Number of universities selected to participate	Project selection criteria	Annual	N/A	Year 2 - 2 undergraduate programs selected Year 5 - 1 Masters program selected	N/A
2.Develop a framework for business education partnership activities	Framework for international partnership for curriculum and program development established	Project Reports	Annual	N/A	Yr 5 - International joint education partnerships established on the undergraduate and graduate levels	N/A
	Number of Serbian educators trained	Project Reports	Annual	N/A	Yr 5 - 50-75 educators trained	N/A
3. Create sustainable business education partnerships	Status of the joint advisory board	Project Reports	Annual	N/A	Yr 5 - Joint Advisory Board and Curriculum Resource Center established	N/A

ATTACHMENT 4: PERFORMANCE MONITORING PLAN, SECOND QUARTERLY STATUS, (AS OF 10-OCT-11) V.1.

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status 10/10/11 Second Quarterly
Mission Assistance Objective: Create A More Competitive Market Economy						
	Decrease in the "Burden of Government Regulations" addressing Government Inefficiency	WEF GCI Reports	Annual	2010: 2.33 (This baseline dates back to the WEF GCI 2010 field data conclusion that took place in May 2010, and will be replaced by the one from May 2011, when the actual USAID BEP activities commenced, to be found in the WEF GCI 2011 report to be published before the end of 2011). Applicable to all indicators coming from the WEF GCI Reports	Yr 1: 2.33 Yr 2: -2.33 Yr 3: 2.47 Yr 4: 2.60 Yr 5: 2.74 (to be altered)	None. WEF GCI 2012 came out, new baseline yet to be approved and applied.. WEF GCI 2013 results scheduled for October 2013.
	Decrease in costs for businesses to comply with regulatory framework	Standard Cost Modeling (SCM)	Annual	Baseline to be conducted by 15. September of Yr1.	Yr 1: 5% decrease Yr 2: 5% decrease Yr 3: 5% decrease Yr 4: 5% decrease Yr 5: 25% total of decrease	Not yet available. First Preliminary results (to be set as baselines) expected on October 14, 2011.
	Increase in Foreign Direct Investment	National Bank of Serbia (NBS)	Annual	2010: 3.3% of GDP	Yr1: FDI at 3.3% of GDP Yr2: FDI at 3.3% of GDP Yr3: FDI at 4% of GDP Yr4: FDI at 5% of GDP Yr5: FDI at 6% of GDP	None. NBS stats for 2011 scheduled for Feb 2012.
	Improvements in the Open Budget Index ("OBI") Score as reported by the International Budget Partnership	OBI Survey	Bi-Annual	2010: 54	Yr 1: - n/a Yr 2: -n/a Yr 3: OBI score 54 Yr 4: n/a Yr 5: OBI score 57	None. Next OBI Survey results scheduled for March 2013
	Improved Government Budget Balance as percentage of GDP	WEF GCI	Annual	2010: -4.1 %	Yr 1: - 4.4% Yr 2: - 4.0 %	None. Yr. 1 result to be

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status 10/10/11 Second Quarterly
					Yr 3: -3.9 % Yr 4: -3.7 % Yr 5: -3.6%	obtained in 2012.
	Improved score in WEF GCI "Financial Market Sophistication" Indicator	WEF GCI reports	Annual	2010: 3.9	Yr1: 3.9 Yr2: 3.95 Yr3: 3.98 Yr4: 3.99 Yr 5: 4	None. WEF GCI 2012 came out, new baseline yet to be approved and applied.. WEF GCI 2013 results scheduled for October 2013.
	Credit to private sector as a percentage of GDP	National Bank of Serbia (NBS)	Annual	2010: 40%	Yr 5: 60%	None. NBS stats for 2011 scheduled for Feb 2012.
Component 1: Business Regulation and Economic Governance Improved						
1. Improve and streamline business regulation lowering the costs to businesses and government from business regulations	Reduction in inspections related costs to businesses	Standard Cost Modeling (SCM)	Annual	Baseline to be conducted by 15. September of Yr 1	TBD	Not yet available. First Preliminary results (to be set as baselines) expected on October 14, 2011.
	Number of Professional Enforcement Officers trained, passed the exam, and ready to get appointed'	MoJ Data	Annual	N/A	Yr 2: 300	None. Trainings not to commence before early 2012.
	Number of days to enforce a judgment	World Bank Doing Business Report	Annual	2010: 635 This baseline dates back to May 2010, published in the Fall of	Yr 3: 530 Yr 4: 475	WB DB 2012 to come out before end of 2011,

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status 10/10/11 Second Quarterly
				2010, and will be replaced by the one from May 2011, when the actual USAID BEP activities commenced, to be found in the WB DB Report 2011 to be published before the end of 2011. Applicable to all indicators coming from the WB DB.	Yr 5: 417	then new baseline to be approved and applied. WB DB 2013 due before the end of 2012.
	Number of days dealing with constructions permits	World Bank Doing Business Report	Annual	2010: 279	Yr 5: 220	WB DB 2012 to come out before end of 2011, then new baseline to be approved and applied. WB DB 2013 due before the end of 2012.
	Business perception of the burden of laws and regulations improves	Project Survey	Annual	Baseline to be conducted by the end of September of Year 1	TBD	None. The USAID BEP Business Survey results are due November 2011. Then the baseline to be set and approved. Next results due Fall 2012.
2.Business effectively partners with Government in developing and implementing regulatory reforms	Increase in business sector participation on laws improving regulatory environment	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Year 1	Yr 5 : 50% increase in the engagement of the business sector in improving the regulatory environment	None. The USAID BEP Business Survey results are due November 2011. Then the baseline to be set and

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status 10/10/11 Second Quarterly
						approved. Next results due Fall 2012.
	Quality of regulatory environment introduced and sustained	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Year 1	Yr 5 : Perception of the quality of the regulatory environment improves 25%	None. The indicator deletion awaits approval and application. The USAID BEP Business Survey results are due November 2011. Then the baseline to be set and approved. Next results due Fall 2012.
	Number of public private dialogue mechanisms/ events created by the project	Project Reports	Annual	N/A	Yr1: 3 Yr2: 5 Yr3: 5 Yr4: 5 Yr5: 2	So far eight (8) round tables took place.
3. Improve and support the regulatory review process and RIA process	Number of RIAs conducted by GoS	Project Reports/ Office of Regulatory Reform Reports	Quarterly	2010: 82	Yr 1: 90 Yr 2: 100 Yr 3: 140 Yr 4: 160 Yr 5: 180	12 (fully fledged) RIAs conducted so far. We are measuring significant RIAs and will submit a request for a revision of this indicator.
	Business perception of transparency and predictability increases	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Year 1	TBD	None. The USAID BEP Business Survey results are due

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status 10/10/11 Second Quarterly
						November 2011. Then the baseline to be set and approved. Next results due Fall 2012.
4. Improve the Government's competition policy and capacity to implement the policy	Number of members of the Commission for the Protection of Competition, Administrative and Supreme Courts judges trained in implementation of the Competition Law	Project Reports	Quarterly	N/A	Y1: 25 Y2: 25 Y3: 35	This activity is put on hold awaiting USAID decision on competition protection task area.
	Improvement in WEF GCI "Effectiveness of Anti-Monopoly Policy" addressing Competition	WEF GCI reports	Annual	2010: 2.76	Yr 5: 3.6	None. WEF GCI 2012 came out, new baseline yet to be approved and applied.. WEF GCI 2013 results scheduled for October 2013.
5. Improve corporate governance standards, policies and regulations	Number of Corporate Governance OECD Principles complied with in Serbian legislation	Project Survey/ OECD Reports	Annual	Baseline to be conducted by the end of November Yr1.	Target TBD by the end of September Yr1.	None. The baseline analysis results due in November 2011 while the next analysis of the compliance level scheduled for April 2013.

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status 10/10/11 Second Quarterly
	Number of Commercial Court judges trained in implementation of the Company Law	Project Reports	Quarterly	N/A	Yr 1: 20 Yr 2: 30 Yr 3: 40 Yr 4: 50 Yr 5: 60	None. Trainings to commence in the Fall 2011.
2. Macroeconomic Policy and Public Financial Management Enhanced						
1. Improve GoS budgeting, fiscal policy analysis, and financial management efficiency	Improvement in the quality of Medium Term Budgeting and Prioritization	Project Reports	Annual	No effective budgeting framework is in place	Budgets among ministries are better reflected of their strategic priorities. Reporting is much more credible. Yr 1: Fiscal Strategy Report contains estimates of potential GDP Yr2: FSR contains estimates of structural deficit Yr3: FSR contains estimates on tax expenditures	Grant in process to provide better estimates of potential GDP and structural deficit projections.
	PEFA Multi- Year Score perspective in fiscal planning , expenditure policy and budgeting	PEFA Assessment	Annual/ Results published every 3 years	2010: Scored C	Yr 5: Score B	None. The 2013 PEFA Assessment scheduled for November 2013.
	PEFA Assessment Score on predictability in the availability of funds for government expenditures	PEFA Assessment	Annual/ Results published every 3 years	2010: Scored C+	Yr 5: Score B	None. The 2013 PEFA Assessment scheduled for November 2013.
	Number of articles published in the area of fiscal policy... (added	Project Report	Monthly	N/A	Yr5: 5	Currently there is an ongoing

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status 10/10/11 Second Quarterly
	clarification: ...containing research and analysis provided through BEP assistance that support changes in fiscal policy)					process of reviewing unsolicited proposals for two separate topics.
	Quality of public dialogue and debate on macroeconomic and fiscal issues	Project Report (Telephone survey by C2)	Annual	Baseline to be conducted by the end of Yr1. by reaching out to the set sample of the C2 GoS partners with a question: "Do you think that there is functioning public dialogue and debate on macroeconomic and fiscal issues improved this year ? If yes how would you grade it from 1 to 5 (where 5 is the best) "	Yr 5: 50% improvement from baseline assessment	None. Baseline to be conducted by the end of Yr1. The following survey to be done before end 2012. (Media branch took place in 7/11).
2. Improve public debt management and conditions for Government financing	Value of dinar denominated debt	Statistics Office	Annual	2010: Value of dinar debt is 14% of total borrowing	Yr 5: Proportion of borrowing increases to 20%	None. Statistics Office stats for 2011 scheduled for Feb 2012.
	<i>Government initiates a public issue of debt</i>	Statistics Office /Project Report	Annual	<i>No Public Issuance has been done yet</i>	Yr 5: Public Issuance occurred	None. Statistics Office stats for 2011 scheduled for Feb 2012.
3. Improve macroeconomic policy and strategy	Improvements in WEF GCI on "Macroeconomic Environment" addressing Nation's Savings Rate	WEF GCI reports	Annual	2010: 7.2	Yr 5: 15	None. WEF GCI 2012 came out, new baseline yet to be approved and applied.. WEF GCI 2013

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status 10/10/11 Second Quarterly
						results scheduled for October 2013. Currently estimated savings rate is nearly 15%.
	Number of published studies and articles containing research and analysis provided through BEP assistance that support changes in macroeconomic policy	Project Report	Annual	N/A	Yr1: 2 Yr2: 5 Yr3: 8 Yr4: 8 Yr5: 6	Currently reviewing unsolicited proposals for two separate topics.
	Quality of public dialogue and awareness of macroeconomic reform and policy making	Project Report (Telephone survey by C2)	Annual	Baseline to be conducted by the end of Yr1. by reaching out to the set sample of the C2 GoS partners with a question: "Do you think that there is functioning public dialogue and awareness of macroeconomic reform and policy making? If yes, how would you grade it from 1 to 5 (where 5 is the best) "	Yr 5: 50% improvement from baseline assessment	None. The Survey results (to be used for setting the baselines)are due by end of October 2011, next one due Fall 2012
	Number of person hours of training of GoS staff on macroeconomic policy and public financial management topics	Project Reports	Annual	N/A	Yr1: 500 Yr2: 1000 Yr3: 1000 Yr4: 750 Yr5: 300	A total of 171 hours of training was provided.
Component 3: Increased Financial Market Development						
1.Increase capital available to business through the creation of a regulatory framework for NBFIs	Number of person hours of training of journalists from publications that cover business (Source: Project Reports)	Project Report	Annual	N/A	Yr 1: 400 Yr.2: 800 Yr 3: 800 Yr 4: 800 Yr 5: 400	None. Training to commence in winter 2011.
	Improved access to finance	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Yr1.	TBD	None. The USAID BEP Business Survey

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status 10/10/11 Second Quarterly
						results are due November 2011. Then the baseline to be set and approved. Next results due Fall 2012. In progress. The first roundtable out of five on access to finance completed (40 participants).
	Status of the legal and market framework for a commodities exchange	Project Report/MoF Report	Annual	Regulatory framework currently not in place	Yr 2: Commodities exchange law and regulatory framework established Yr 3 : Establishment of the commodities exchange	In progress. Currently working on regulation framework and comparative analysis of commodity exchange law.
2.Strengthen integrity of the capital markets by helping the GoS to build capacity to ensure equity issuers and brokers comply with securities laws	Number of intermediaries trained and advised about upcoming securities laws	SEC and Project Report	Annual	Majority of intermediaries trained and advised	Yr5: 75% of intermediaries trained and advised on changes and benefits brought by new securities laws	In progress. Attended Association of Investment Fund Management Companies and updated them on the Capital Market Law

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status 10/10/11 Second Quarterly
						(representative of 7 investment funds management companies). Planning participation in the Stock exchange conference in November and conjointly working with the SC on conference in February.
	Number of financial regulators trained in non-bank regulatory matters	Project Report	Annual	N/A	At least 75% of all staff from the Securities Commission, MoF, and NBS who carry out a regulatory function in the non-banking sphere.	None. To be determined when the relevant intervention will take place.
3. Improve the GoS to access finance through the development of long term, liquid debt public market	Value of dinar denominated debt	Statistics Office	Annual	2010: Value of dinar debt is 14% of total borrowing	Yr 5: Proportion of borrowing increases to 20%	None
	Issuance of public debt through a primary dealer network or other distribution mechanisms	MoF or Project Report	Annual	Currently no public debt issuance through primary dealer network or other distribution mechanisms	Yr 3: Occurrence of issuance of public debt through a primary dealer network or other distribution mechanisms	None

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status 10/10/11 Second Quarterly
4. Strengthened public-private dialogue on the financial sector and its role in economic development	Increased awareness of the role of the financial sector in economic development	Project Survey (a.k.a. USAID BEP Business Survey)	Annual	Baseline to be conducted by the end of September of Yr1.	Yr 5: 50% increase in awareness	None. The USAID BEP Business Survey results are due November 2011. Then the baseline to be set and approved. Next results due Fall 2012. RFA for evaluation national savings and scope of work for improving saving/investment channels have been prepared. The results of this work will be used among other things to stimulate public private dialogue about importance of financial sector.
5. Strengthen the disclosure and transparency supporting new investment by assisting the GoS to implement required accounting, audit and disclosure standards	Compliance with IOSCO standards in areas of securities intermediaries and equity issuance improves	Project and IOSCO Reports	Annual	Since compliance with IOSCO was not calculated previously BEP Component 3 Team has prepared in depth report on IOSCO compliance as of February Yr1. Compliance is currently evaluated to be around to 50%	Yr 5: Compliance improves to 60% or better	Work on new bylaws and implementation of the Capital Market Law is expected to increase compliance with IOSCO by

Objectives	Indicators	Data Collection Method	Schedule of Collection	Baseline Value/ Source	Targets Years 1-5	Status 10/10/11 Second Quarterly
						over 55% .The new compliance rate due January 2012.
4.Business-Education Partnerships Developed (PENDING APPROVAL)						
1.Identify business education needs related to enterprise, financial sector and government management	Selection of coursework priorities, staffing and educational partnerships	Project Reports	Annual	N/A	Yr 2 - Educational priorities and partnerships with the business community established	N/A
	Number of universities selected to participate	Project selection criteria	Annual	N/A	Year 2 - 2 undergraduate programs selected Year 5 - 1 Masters program selected	N/A
2.Develop a framework for business education partnership activities	Framework for international partnership for curriculum and program development established	Project Reports	Annual	N/A	Yr 5 - International joint education partnerships established on the undergraduate and graduate levels	N/A
	Number of Serbian educators trained	Project Reports	Annual	N/A	Yr 5 - 50-75 educators trained	N/A
3. Create sustainable business education partnerships	Status of the joint advisory board	Project Reports	Annual	N/A	Yr 5 - Joint Advisory Board and Curriculum Resource Center established	N/A

ATTACHMENT 5: USAID BEP GRANTS SCHEDULE

September 26 , 2011.

2011	SOLICITATION DOCUMENT TOPIC	Level of Funding (est.)	BEP Component	Publication of Solicitation Document	Deadline for Submission of Applications	Review Procedure	Negotiations and Award Procedure
JUNE	GENERAL ANNUAL PROGRAM STATEMENT	\$ 32,000	0	June 10, 2011	December 1, 2011	July - Dec 2011	
	Grant for FREN's Quarterly Monitor / Sole Source	\$ 30,000	2	n/a	submitted	Aug/ Sept	SEPTEMBER
	RFA for the (first annual) Survey of Businesses	\$ 20,000	0	June 15, 2011	July 5, 2011	July/Aug	SEPTEMBER
JULY	RFA to assist in removal / reduction of quasi fiscal burdens on businesses	\$ 20,000	1	July 15, 2011	August 15, 2011	Aug/ Sept	SEPTEMBER
	RFA for development of econometric models for the Ministry of Finance	\$ 40,000	2	July 15, 2011	August 15, 2011	Aug/ Sept	SEPTEMBER
AUGUST	RFA for training and study tour for the Macro Fiscal Department	\$ -	2	CANCELLED			
SEPT	RFA for Outreach on the findings of the Standard Cost Model (SCM) Study and the Annual Survey of Businesses		1	CANCELLED			
	RFA for evaluation of the policy reforms to improve net national savings rate	\$ 25,000	2	September	October		

?	RFA for curriculum development, syllabuses and trainings for judges on competition protection	\$ 10,000	1				
	RFA to Conduct a Research Study on Construction Permits Procedural Constraints	\$ 25,000	1	September	October		
	RFA for Business Associations to Improve Public-Private Dialogue		1	CANCELLED			
	RFA to develop curriculum, syllabuses and trainings for judges on the new Company Law	\$ 6,000	1				
	RFA to improve the impact of fiscal policies on small business growth	\$ 30,000	2	September	October		
	RFA for Outreach Activities Regarding Inspections' Reforms		1	CANCELLED			
	RFA for Trainings for Journalists on economic topics, fiscal matters and capital market issues (merged RFA)	\$ 17,000	0	September	October		
?	RFA to develop curriculum and conduct the training for the Professional Enforcement Officers (PEO)	\$ 25,000	1				
OCT	RFA for trainings for market participants on compliance on Capital Markets Law	\$ 10,000	3	October	November		
NOV	RFA for trainings for Securities commission and regulatory stakeholders on commodity exchange issues	\$ 10,000	3	November	December		
	RFA to measure the impact of fiscal policies on the size of the shadow economy	\$ 25,000	2	NOVEMBER			

	RFA for trainings for Securities Commission on supervision of securities intermediaries and investment funds	\$ 15,000	3	TBD			
DEC	RFA for study tour on commodity exchange development		3	CANCELLED			
?	RFA to support the start-up of the Ministry of Justice (MoJ) Supervisory Unit for Professional Enforcement Officers (PEO)	\$ 10,000	1	TBD			
	Software for Spatial Planning	\$ 30,000					
	TOTAL	\$380,000					

